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Annual Report of the Controller

of the
City and County of San Francisco
For the Fiscal Year Ended June 30, 1953



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CITY AND COUNTY OF SAN FRANCISCO

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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1953



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YEAR ENDED JUNE 30, 1953
By Touche, Niven, Bailey & Smart

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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

October 9, 1953

To His Honor, the Mayor, and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1953, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Price, Waterhouse & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by
Touche, Niven, Bailey & Smart.

Municipal Railway, by L. H. Penny & Co.

San Francisco School Department, by Lindquist, Von Husen & Joyce.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Respectfully submitted,

H. D. Ross,

Controller.

ORGANIZATION CHART
CONTROLLERS OFFICE

Centralized financial planning,
control and management, accounting
auditing and assurance.

SECRETARIAL STAFF
Correspondence and Reports, Stop
Notices, Assignments, Surety Bonds,
Deaths of Office, Insurance, Personnel
Records & Procurement (Conf. Office)
Claims Register, Ordinances and
Resolutions, File Control, including

Monthly audit of Treasurer's Office.
Periodical audits of Departments
System design and installation
Special Investigations

Audits-System Design & Installation
Special Investigations-P.U.C.Gen'l.
Office, Bar. Lt. Ht. Pwr., Municipal
By., Meter Dept., Hatch Hatchy Water
Supply, Hatch Hatchy Power Operative
Airport, All Fed. Aid Projects

Proprietary Ledger-Property Ledger
Expense Ledger - Bond Interest and
Redemption audit and control -
Fund Ledger - General Journal -
Reports - State Settlements -
Extension and audit of Tax Rolls

BUDGET CONTROL

Audit and preparation of all time rolls, payrolls and salary and pension warrants, State and Federal income tax records; Maintains accounting controls over all payrolls and all authorized deductions; preparation of Aid rolls and warrants

Counsel
Interpretation of Law
Proposed Legislation

REVENUES
ENCUMBRANCES
DISBURSEMENTS

REVENUES

Bureau Research and Statistics
Approval of deposits with Treasurer
Register of Receipts
Stationery Control of fee
receipts, badges and other
numbered revenue forms.
Audit of licenses and fees
Tax Apportionments
Cash position
Trust Accounts

- Audit, Recordation and Certification of:
 - Purchase Orders
 - Contracts
 - Orders for Work (inter-dept)
 - Work Orders
 - Service Orders
 - Court Orders
 - Judgments
 - Claims

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SERVICE	AUDIT OF AID CLAIMS
	Needy Aged
	Needy Blind
	Widows Pensions
	Feeble Minded
	State Schools
	Criminal Insane
	Narcotics
	Maintenance of Minors

APPROPRIATION		LEO
Revenues		
Appropriations		
Allotments		
Encumbrances		
Disbursements		

	Verification of Paid Warrants Reconciliation of Outstanding Warrants
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HARRY D. ROSS CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1943-44 to 1952-53

	FISCAL YEAR ENDED JUNE 30									
	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Property Taxes and Licenses	\$367,361,077.70	\$39,425,735.01	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$60,693,377	\$66,500,990	\$70,953,353	\$74,606,071.2
Retail Paving and Use Tax	1,002,240.56	1,131,087.36	1,185,613.40	1,314,284.17	1,350,323.41	1,406,018.36	1,472,668.83	1,533,557.55	1,603,557.11	1,678,603.13
Other Taxes and Licenses	546,578.15	628,628.92	1,007,367.11	1,349,743.20	1,291,350.59	1,360,022.88	1,380,166	1,461,179	1,482,284	1,508,153
Court Fees	38,375,016.41	11,185,451.29	43,386,067.46	49,876,088.74	57,502,567.46	67,877,068.32	68,415,721	74,703,498	79,015,791	78,606,801
Departmental Revenues	2,054,564.53	2,434,329.90	3,096,519.37	3,774,603.20	4,071,272.14	5,223,205.83	5,352,151	6,190,076	6,182,177	6,620,109
Interest on Bonds	17,238.74	17,988.75	22,956.26	29,517.68	74,735.63	305,950.03	118,323	480,584	530,301	526,007
Rent, S. F. Unified School District	370,470.45	386,169.67	387,863.35	389,311.88	387,650.94	401,066.35	371,262	361,403	358,655	367,265
Contributions from Water Dept.	1,906,020.00	1,197,412.00	1,591,935.00	94,200.00	6,500.00	263,786.75	537,093	223,815	369,254	118,085
Cash Transferred from Capital Funds	300.00	3,500.00	8,550.00	94,200.00	6,500.00	263,786.75	537,093	223,815	369,254	118,085
Cash Transferred from Trust Fund										
Housing Authority - In lieu of taxes			403,874.65	407,985.50	418,318.79	274,457.96	372,487	492,057	326,222	244,437
Miscellaneous	71,870.15	339,579.46	86,280.56	332,461.76	69,481.73	51,140.52	91,940	49,493	87,988	134,104
From School California Fund	4,420,463.86	4,399,174.78	5,599,482.19	5,037,279.43	5,027,961.23	6,673,819.59	7,374,664	8,015,338	7,855,639	8,251,594
Revenues through State of California:										
Shared State Taxes:										
*Motor Vehicle Fuel Tax:	816,091.29	655,926.37	1,263,643.21	1,358,866.20	1,576,501.00	1,576,870.35	1,705,617	1,823,475	1,902,631	1,981,376
Special Road Imp. Fund	438,114.04	438,388.95	774,834.21	774,086.00	1,575,860.21	2,408,476.96	2,207,248	2,308,220	2,250,222	2,327,622
Special Gas Tax Street Imp. Fund	255,432.97	285,947.15	302,352.38	357,422.73	283,421.38	360,431.37	382,973	403,898	405,831	413,164
Motor Vehicle License Fees	867,882.51	968,330.77	1,296,906.81	2,148,312.76	4,043,560.76	3,331,193.04	4,346,181	4,407,173	6,508,349	5,671,983
Alcohol Beverage License Subsidy	469,428.20	663,075.41	774,712.15	1,266,936.72	1,264,850.06	1,367,041	1,415,966	1,249,603	1,249,603	1,264,643
Miscellaneous	1,512.42		2,510.21	2,620.00						
State and Federal Grants-in-Aid:										
Maintenance of Minors	64,687.53	71,203.91	87,313.25	195,597.25	195,597.25	266,282.53	411,910	569,920	557,906	523,558
Aid to Needy Children	195,773.74	163,885.35	204,929.62	190,300.14	204,929.62	730,596.62	2,661,352	2,681,619	2,856,288	2,894,867
Aid to Needy Blind	43,232.22	159,346.55	187,872.41	276,345.58	182,873.83	191,972	442,090	451,306	467,457	467,457
Aid to Needy Aged	5,707,166.94	5,473,202.96	5,278,618.83	5,839,057.74	6,878,562.40	3,883,186.33	11,979,851	11,657,159	11,814,605	11,616,139
Inspection Services - Aged and Children										
Tuberculosis Aid Subsidy	88,166.77	81,748.61	170,220.36	21,464.94	21,920.06	26,420.00	28,772	27,544	24,709	23,748
Aid for Elementary Schools	2,701,518.47	2,510,994.48	2,697,702.01	2,010,040.01	448,033.61	343,677.82	489,684	520,177	536,557	520,177
Aid for High Schools	1,909,139.40	1,925,353.89	1,948,670.71	2,698,169.60	4,276,390.00	4,363,233.50	4,568,406	4,738,406	4,996,512	5,000,557
Aid for City College				1,948,670.71	2,698,169.60	4,276,390.00	4,363,233.50	4,568,406	4,996,512	5,000,557
County School Service Fund	398,209.55	315,664.73	231,573.52	806,700.63	780,610.01	599,882.71	496,366	482,511	640,957	823,518
Child Care Center			123,500.00	332,757.10	671,000.00	577,000.00	633,794	498,023	482,905	498,023
Teachers' Retirement			57,303.49	64,210.32	66,376.43	247,553.46	303,994	352,874	682,629	733,547
Fire Boat Subsidy	102,483.61	105,333.29	107,359.37	126,613.53	158,203.91	188,435.55	190,636	191,830	198,528	206,421
Civilian War Assistance	37,768.27	650,212.33	403,107.29	145,173.93	13,743.64	11,626	11,626	20,970	20,970	22,992
Waterfront Expense Subsidy	54,270.33	19,316.14	14,183.86	29,710.00	31,200.53	31,200.53	40,569	48,402	46,407	43,250
Aid for Log Cabin Ranch			83,598.21	29,680.61	89,374.35	35,353.83	363,315	140**	37,750	125,147
Public Health Planning Project										
Police Department Subsidy										
Police Department Subsidy										
School Cafeteria										
Crippled Children Program										
Total Revenues:	\$57,080,170.00	\$60,068,512.35	\$64,870,874.08	\$73,186,224.20	\$88,637,803.92	\$99,656,758.98	\$103,239,731	\$119,278,094	\$125,802,259	\$126,606,802

*Does not include amount apportioned to the State Highway Trust Fund

**Dues Deduction.

(a) Grants Obligated

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF EXPENDITURES

Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)
Departmental Expenditures:										
Bureau of Public Safety:										
Public Safety	\$ 4,170,778.01	\$ 4,604,101.27	\$ 5,121,793.33	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,789,286	\$ 8,767,034	\$ 8,339,705
Highways	7,983,979.72	8,531,317.55	9,147,030.35	10,857,546.70	12,839,310.39	14,393,249.89	15,228,793	15,888,307	17,596,706	18,729,831
Sanitation and Waste Removal	1,386,627.95	1,649,035.34	1,370,110.94	1,473,382.64	1,709,206.37	1,922,231.04	2,046,428	2,147,014	2,560,934	2,557,688
Conservation of Health	1,252,170.42	1,283,185.36	1,343,903.46	1,842,717.46	1,959,911.11	2,086,572.03	2,189,000	2,123,558	2,290,449	2,500,449
Hospitals	866,933.90	1,013,418.90	1,071,950.33	1,475,163.57	1,583,183.39	1,681,117.81	2,088,502	2,069,540	2,761,571	2,678,313
Public Welfare	3,422,944.33	3,746,156.83	3,651,672.90	4,751,603.29	5,827,740.52	8,595,960.80	10,882,610	20,859,900	20,821,665	22,233,625
Correction	9,185,268.10	9,537,241.18	9,647,779.55	10,127,329.89	11,707,740.52	1,008,140.47	1,018,600	1,080,704	1,251,296	1,801,926
Schools	11,146,572.07	12,499,265.80	12,809,968.71	16,101,288.59	19,136,880.47	21,219,221.03	23,016,066	24,390,045	26,798,540	29,341,751
Shelters	453,558.00	503,405.04	509,678.71	654,835.86	695,706.78	772,215.21	802,652	825,926	923,544	933,311
Recreation	2,830,808.41	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,952,813	5,073,479
Total Departmental Expenditures:	43,169,626.38	46,677,509.49	48,402,476.82	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,518,467	95,677,549	101,337,839
Bond Redemptions	3,290,100.00	2,915,000.00	2,915,000.00	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000
Bond Interest:	1,415,075.18	1,274,056.66	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,353,016	1,367,580	1,447,005
Other Interest:	34,032.24	20,583.63	47,048.96	2,125.00	.....	.....	.....	.....	.....	.....
Pensions and Compensation	2,874,331.99	3,209,339.74	3,919,551.29	4,457,047.00	7,519,558.77	8,285,340.80	10,516,145	10,918,329	11,880,452	12,541,720
Insurance:	38,629.22	93,846.17	11,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370
Judgments and Losses:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Contributions to Public Service	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Interests:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Inter-Highway Project:	2,146,434.46	1,920,207.82	2,079,484.21	6,836,06*	1,504,236.56	2,632,670.00	2,966,290	2,996,780	1,712,591	1,601,442
Airports:	373,694.72	341,688.90	420,332.69	891,489.22	2,461,249.14	.....	.....	1,062,052	2,384,117	3,000*
Municipal Railway:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Public Utilities Commission:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Light, Heat and Power	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bureau:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Additions From Revenues:	570,204.45	1,043,589.06	2,121,018.17	2,733,964.71	2,986,764.38	4,103,630.48	28,679	213,740	65,136	1,812
Civilian Defense:	724,069.46	302,113.94	152,717.60	31,188.55	.....	.....	.....	7,297,801	3,621,951	3,447,108
Contributions to Other Civil	97,950.12	85,905.48	146,192.85	198,210.00	181,598.36	170,342.08	.....	106,165	303,405	218,896
Contributions to Other Civil	540,275.61	469,271.83	1,526,953.21	2,432,511.38	733,506.34	1,817,305.93	140,910*	190,383	169,133	99,000
Miscellaneous, net:	.....	.....	.....	.....	.....	.....	.....	274,018	8	761,785
Total Expenditures:	\$55,274,643.83	\$58,355,112.02	\$62,900,768.02	\$73,373,778.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,386,674	\$127,203,977

*Denotes Credit.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS
Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)
Water Sales.....	\$8,367,222.01	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318
Operating Expenses:										
Provision for Depreciation...	984,484.87	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779
Other Operating Expenses...	3,016,691.23	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530
	4,001,176.10	4,139,160.55	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309
Profit from Operations.....	4,366,045.91	4,271,672.04	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,040.83	3,923,009
Other Income.....	146,623.43	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030
	4,512,669.34	4,389,770.56	6,062,915.61	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039
Other Expenses:										
Interest on Bonded Debt ..	1,449,343.31	1,381,823.34	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083
Other.....	34,684.40	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538
	1,484,027.71	1,418,386.98	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621
Net Income	\$3,028,641.63	\$2,971,383.58	\$4,700,974.89	\$1,944,733.47	\$1,888,394.85	\$1,792,976.12	\$1,918,043.36	\$2,693,837.89	\$3,209,919.76	\$3,246,418

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATIONS
Fiscal Years 1913-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)
Power Sales.....	\$1,858,824.91	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981
Less P. G. & E. Distribution Commission.....	799,432.23	5,959,609.99								
Standby Charge and Sale of Water to the S. F. Water Dept.....	\$3,059,392.68	\$2,505,128.45	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	4,009,143.65	4,617,981
	661,277.00	661,277.00	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,573,046.00	3,445,250.00	3,545,590
	\$3,720,669.68	\$3,166,405.45	\$3,719,946.80	\$7,050,912.76	\$6,925,972.27	\$7,171,709.95	\$6,910,944.58	\$7,014,418.12	7,154,393.65	8,163,571
Operating Expenses:										
Provision for Depreciation.....	\$1,563,039.70	\$1,647,730.44	\$1,520,856.59	\$1,518,809.10	\$1,514,979.47	\$1,509,904.71	\$1,507,862.87	\$1,696,960.13	1,697,308.11	1,710,305
Other Operating Expenses.....	1,157,272.28	575,028.50	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321
	\$2,720,311.98	\$2,222,758.94	\$2,928,883.42	\$3,095,009.89	\$3,384,589.16	\$3,271,335.72	\$3,394,406.53	\$3,521,861.31	4,118,575.78	4,610,626
Profit from Operations.....	\$1,000,337.70	\$ 943,646.51	\$ 791,063.38	\$3,955,902.87	\$3,541,383.11	\$3,900,374.23	\$ 3,516,538.05	\$3,492,556.81	3,335,817.87	3,552,945
Other Income.....	5,992.78	6,060.19	8,975.48	19,065.14	22,833.35	23,455.68	29,455.94	29,175.91	69,512.59	65,315
	\$1,006,350.48	\$ 949,706.70	\$ 800,038.86	\$3,974,968.01	\$3,564,216.46	\$3,923,809.91	\$ 3,545,993.99	\$3,521,732.72	3,405,330.46	3,618,260
Other Expenses:										
Interest on Bonded Debt.....	\$2,541,236.86	\$2,438,759.37	\$2,336,295.22	\$2,233,977.70	\$2,131,660.21	\$2,029,342.71	\$ 1,927,557.47	\$1,962,307.62	1,849,954.77	1,787,239
Other.....	74,777.16		116,029.64	87,910.45					2,248.68	2,354
	\$2,616,014.02	\$2,438,759.37	\$2,452,324.86	\$2,321,888.15	\$2,131,660.21	\$2,029,342.71	\$ 1,927,557.47	\$1,962,307.62	1,852,203.45	1,789,593
Net Income.....	\$1,609,663.51*	\$1,489,052.67*	\$1,652,286.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667

*Deductions Less.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS

Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Revenues.....	\$6,713,700.75	\$15,119,772.51	\$17,444,932.19	\$19,039,755.53	\$16,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98
Operating Expenses:										
Depreciation.....	710,280.90	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34
Other Operating Expenses.....	5,068,178.86	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,973,373.54
	5,778,459.76	12,987,027.52	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88
Profit from Operations.....	935,240.99	2,132,744.99	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	611,014.10
Other Income.....	9,346.45	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82
	944,587.44	2,142,272.17	1,326,274.14	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,851.46*	795,085.92
Other Expenses:										
Interest on Market Street Railway purchase.....	.....	126,904.11	119,608.08	85,721.02	64,725.99	.....	.....	.....	.....	.....
Interest on Bonded Debt.....	47,083.34	42,083.33	37,083.33	32,083.34	30,727.50	107,194.70	259,419.92	284,603.13	287,001.45	295,796.52
Other.....	.....	.....	78,083.29	.....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47
	47,083.34	168,987.44	234,976.70	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99
Net Income.....	\$ 897,504.10	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93

* Denotes Lost.

CITY AND COUNTY OF SAN FRANCISCO

AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1943-44 to 1952-53

FISCAL YEAR ENDED JUNE 30

	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Revenues:										
Landing Charges.....	\$ 19,057.50	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$118,638.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82
Rentals.....	27,769.77	33,779.55	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96
Other.....	4,057.30	7,445.96	17,668.14	99,430.73	101,127.38	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99
	50,884.57	73,790.51	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77
Operating Expenses:										
Depreciation.....	201,719.74	209,406.13	214,777.76	434,979.48	434,938.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59
Other Operating Expenses.....	91,006.06	122,588.14	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,790.31	634,630.55
	292,725.80	331,974.57	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14
Loss from Operations.....	241,841.23	258,184.06	253,348.27	401,875.23	460,964.74	720,236.45	698,845.10	759,488.97	585,068.45	455,486.37
Other Income.....	9,670.22	10,552.81	12,727.07	19,233.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08
	232,171.01	247,631.25	240,621.20	382,941.35	435,056.99	690,051.28	673,491.91	725,763.87	553,132.29	426,946.29
Interest on Bonded Debt.....	26,172.04	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,384.53	120,900.41	134,091.68	116,542.44
Other Expense.....								2,481.22	15,151.13	20,253.67*
Net Loss.....	\$258,343.05	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$ 796,441.82	\$ 761,076.44	\$ 849,145.50	\$ 702,375.10	\$ 522,335.06

*Denotes Deduction.

CITY AND COUNTY OF SAN FRANCISCO

ADDITIONS TO PROPERTIES

For the 10 Year Period — July 1, 1943 to June 30, 1953

INCREASE OR DECREASE*

BALANCES JUNE 30, 1953

	Total	Land	Buildings, Structures and Improvements	Equipment	Total	Land	Buildings, Structures and Improvements	Equipment
GENERAL GOVERNMENT								
Civic Center, Incl. City Hall	\$ 845,640.19	\$ 3,000.00*	\$ 78,271.42	\$ 770,368.77	\$ 9,814,596.71	\$ 2,232,954.63	\$ 4,174,477.92	\$ 3,427,204.16
PUBLIC SAFETY								
Fire Department	1,697,673.46	75,911.73	936,772.67	684,989.05	14,908,910.66	704,183.19	9,639,993.40	4,564,734.27
Police Department	567,084.36	11,839.00	1,167,371.08	83,731.08	4,967,371.11	770,721.11	2,113,883.60	1,578,929.96
Department of Electricity	35,661.35		3,435.67	56,208.68	353,340.59	44,000.10	727,409.07	162,531.52
HIGHWAYS								
27,556,813.97	3,803,931.65	23,504,837.46	228,044.86	90,737,555.41	11,098,736.55	79,410,537.50	228,081.36	174,732.57
870,330.43	860,783.41	9,647.02		870,340.43	860,783.41	9,647.02		
SANITATION								
33,751,991.65	1,709,083.77	31,776,680.05	266,227.83	55,483,329.68	1,794,868.87	53,331,672.16	356,788.55	583,196.76
255,331.27	50,000.00*		255,331.27		86,142.60	15,000.00	65,142.60	
Garbage Incinerator								
HEALTH CONSERVATION								
67,726.81	969,927*	20,507.96	188,887.77	1,314,036.77	29,442.00	1,131,493.63	153,101.14	153,101.14
189,029.83	575.00*	735.79	188,869.29	1,343,871.79	158,013.49	908,741.20	277,171.10	4,130.36
190.00*	190.00*			85,196.04	14,447.50	66,618.18	18,855.41	130,330.19
Excelsior Health Center				3,553.37	292,925.60	113,740.00		
Other	5,939.98	2,200.00*	4,586.61					
HOSPITALS								
662,079.08		292,032.27	370,026.81	7,060,263.82	694,556.97	5,220,195.86	1,143,510.99	207,392.07
Emergency Hospitals	61,615.63		61,615.63	303,360.92	10,999.70	82,969.15		
CHARITIES								
148,198.60	4,937.85*	10,112.41	143,024.04	5,194,831.02	28,062.15	4,454,696.92	718,071.95	79,032.22
365,401.99	137,500.00	162,500.00	63,401.99	375,032.22	137,500.00	102,500.00		
S. F. Welfare Department								
CORRECTIONS								
16,870.01			16,870.01	867,914.12	38,156.52	800,255.01	29,502.59	112,421.68
90,443.79		10,944.90	79,498.89	341,925.87	10,310.00	219,194.19	58,679.33	25,357.45
4,278,046.49	50,400.00	4,168,967.16	58,679.33	4,278,046.49	50,400.00	4,168,967.16	7,592,686.89	1,857,810.52
182,273.26		152,915.81	29,357.45	207,383.35	25,110.09	152,915.81		
Juvenile Log Cabin Ranch			3,622,087.07	83,421,206.55	14,084,027.16	61,744,312.50		
SCHOOLS								
31,717,156.37	4,295,542.19	23,799,526.81	3,622,087.07	3,810,949.16	400,591.13	1,592,517.51		
341,727.47	7,881.13	255,074.88	78,771.46					
LIBRARIES								
3,938,326.50	224,641.43	3,506,262.02	207,623.05	9,653,163.15	3,422,337.49	5,851,873.12	378,732.54	343,997.79
27,238.48		142,580.56	133,657.92	1,595,077.97	463,187.20	1,251,116.18		
10,074.39		1,762,523.43	285,450.90	27,116,574.58	20,330,590.90	6,737,967.78	640,622.11	81,516.48
3,166,065.81	928,523.43	7,138.67	9,467.14	2,316,803.13	707,437.00	1,533,851.65		
16,005.81		637,732.45		1,784,202.82	767,705.48	1,016,497.31		
Golf Links	14,325.00	623,407.00		1,014,470.17	222,831.48			
260,353.62	125,822.68	134,530.94						
RECREATION								
681,530.08	65,082.36	616,447.72		969,124.74	228,925.53	731,717.76	8,481.45	4,000.00
20,231.76	15,525.00	4,000.00	706.76	645,204.72	13,525.00	250,685.65	179,385.33	
220,168.10	8,058.22*	149,996.29	128,530.03					
Miscellaneous								
\$13,207,082.60	\$12,256,862.09	\$92,337,790.50	\$8,612,430.01	\$338,138,659.28	\$39,616,360.17	\$53,262,785.78	\$25,259,513.33	

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES — BY SOURCE OF FUNDS
For the 10 Year Period — July 1, 1943 to June 30, 1953

	Total	Land	Buildings Structures and Improvements	Equipment
Source of Funds:				
Current Funds:				
General Fund.....	\$ 9,641,994.43	\$ 229,826.31	\$ 5,516,780.90	\$3,895,387.22
Recreation and Park.....	2,988,600.07	1,017,703.08	1,590,240.22	380,656.77
Library.....	350,612.39	16,666.88	255,074.88	78,870.63
War Memorial.....	12,507.91	.....	10,358.16	2,149.75
California Palace Legion of Honor.....	66,982.99	.....	42,165.42	24,817.57
de Young Memorial Museum.....	202,851.82	.....	98,777.51	104,074.31
Special Road Improvement.....	4,636,150.14	690,056.93	3,744,172.78	201,920.43
Special Gas Tax Street Improvement.....	5,898,745.00	2,325,585.13	3,561,075.22	12,084.65
San Francisco Unified School District.....	7,559,841.94	2,707,489.51	2,233,943.22	2,618,409.21
Special Accumulative Building Fund—Schools.....	1,012,559.91	522,353.21	490,206.70	.....
Child Care Centers.....	3,701.58	.....	.....	3,701.58
	32,374,548.18	7,509,681.05	17,542,795.01	7,322,072.12
Capital Funds:				
Real Property, General City.....	819,812.53*	662,391.69*	157,420.84*	.....
Real Property, S.F.U.S.D.....	8,951.58*	108,324.34	117,275.92*	.....
1927 Boulevards Bond Fund.....	140,932.98	1,069.43	139,863.55	.....
1929 Hospitals Bond Fund.....	7,901.65	.....	6,850.00	1,051.65
1931 Parks & Squares Bond Fund.....	2,159.58	.....	2,159.58	.....
1933 Sewers Bond Fund.....	30.00	30.00	.....	.....
1933 High Pressure Bond Fund.....	26.24*	.....	.....	26.24*
1938 Hospitals Bond Fund.....	4,500.93	.....	4,500.93	.....
1942 Fire Protection Bond Fund.....	144,052.93	16,222.00	69,958.47	57,872.46
1944 Sewers Bond Fund.....	19,552,102.35	1,654,632.63	17,893,600.64	3,869.08
1944-48 Juvenile Home & Court Bond Fund.....	4,212,831.68	.....	4,155,313.38	57,518.30
1947 Street Improvement Bond Fund.....	13,415,850.60	303,362.02	13,109,221.73	3,266.85
1947 Recreation Bond Fund.....	5,467,071.52	861,043.17	4,484,776.44	121,251.91
1948 Schools Bond Fund.....	23,111,553.95	913,745.78	21,193,622.73	1,004,185.44
1948 Sewage Treatment Bond Fund.....	11,839,322.36	51,906.94	11,746,753.74	40,661.68
1947 Off-Street Parking Bond Fund.....	870,430.43	860,783.41	9,647.02	.....
Miscellaneous.....	47,597.80*	47,597.80*	.....	.....
	77,892,352.81	4,061,130.23	72,541,571.45	1,289,651.13
Trust Funds:				
State Highway Trust.....	2,884,949.85	635,525.81	2,249,424.04	.....
Retirement System.....	20,231.76	15,525.00	4,000.00	706.76
Sigmund Stern—Donation.....	15,000.00	15,000.00	.....	.....
Metropolitan Life Insurance Co.—Donation.....	20,000.00	20,000.00	.....	.....
	2,940,181.61	686,050.81	2,253,424.04	706.76
Total Additions.....	\$113,207,082.60	\$12,256,862.09	\$92,337,790.50	\$8,612,430.01

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1913-44 to 1953-54

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Value Assessed to City & Co.	Rate	Subtract Credits for new Ad Valorem	Total
1913-14	Unsecured—City and County Assessor		297,567,134	961,878,165	82,331,222		82,331,222	4.48	241,961,143	924,292,565
	Secured—City and County Assessor		11,843,570	41,293,890	32,631,960	7,430,612	88,769,370	4.36	87,100,960	175,870,330
	Secured—State Board of Equalization		\$312,410,634	\$403,172,055	\$124,963,067	\$7,450,642	\$82,997,134		\$343,224,623	\$1,176,221,757
1914-15	Unsecured—City and County Assessor		296,176,585	966,338,175	92,459,287		92,459,287	4.36	256,383,063	348,842,350
	Secured—City and County Assessor		14,344,980	41,092,340	32,916,080	7,636,615	88,354,100	4.69	80,015,460	168,367,560
	Secured—State Board of Equalization		\$310,521,565	\$407,450,515	\$133,105,983	\$7,636,615	\$83,441,418		\$348,939,331	\$1,192,380,819
1915-16	Unsecured—City and County Assessor		295,953,215	971,683,405	98,182,638		98,182,638	4.69	306,612,656	404,795,294
	Secured—City and County Assessor		11,365,640	40,280,830	31,957,590	8,684,634	83,604,080	4.83	80,681,189	167,517,347
	Secured—State Board of Equalization		\$307,318,855	\$411,964,255	\$136,024,400	\$8,684,634	\$84,662,876		\$370,051,995	\$1,216,673,871
1916-17	Unsecured—City and County Assessor		297,150,419	979,741,290	110,180,654		110,180,654	4.83	291,963,083	402,143,737
	Secured—City and County Assessor		11,291,570	41,736,690	32,053,820		665,441,407	5.55	9,112,000	674,554,307
	Secured—State Board of Equalization		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$80,084,080		\$62,005,210	\$1,223,787,334
1917-18	Unsecured—City and County Assessor		304,975,992	1,003,718,630	150,379,489		150,379,489	5.55	328,391,141	474,008,982
	Secured—City and County Assessor		11,441,430	43,692,360	33,962,940		89,096,750	5.62	76,929,130	697,978,217
	Secured—State Board of Equalization		\$316,417,422	\$447,410,990	\$189,153,890	\$39,364,140	\$913,618,182		\$368,193,847	\$1,281,812,029
1918-19	Unsecured—City and County Assessor		333,507,884	1,062,082,240	176,254,123		176,254,123	5.62	388,793,008	562,876,581
	Secured—City and County Assessor		11,566,170	49,385,230	35,695,010		729,353,224	6.09	8,097,931	737,450,815
	Secured—State Board of Equalization		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$96,646,110		\$35,209,320	\$1,298,557,330
1919-20	Unsecured—City and County Assessor		338,327,522	1,067,097,465	187,081,075		187,081,075	6.09	413,302,218	598,014,362
	Secured—City and County Assessor		11,634,050	60,688,540	40,147,520		753,648,062	5.66	10,463,329	764,111,391
	Secured—State Board of Equalization		\$349,961,572	\$507,786,005	\$235,223,381	\$42,142,642	\$1,030,830,316		\$438,228,977	\$1,509,059,293
1920-21	Unsecured—City and County Assessor		338,186,080	1,068,437,890	174,987,355		174,987,355	5.66	446,958,945	619,486,025
	Secured—City and County Assessor		11,594,320	64,845,380	38,418,610		771,309,257	6.29	7,389,121	781,688,978
	Secured—State Board of Equalization		\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$496,153,766	\$1,557,848,343
1921-22	Unsecured—City and County Assessor		340,439,080	1,070,967,410	193,089,454		193,089,454	6.29	541,970,025	738,126,005
	Secured—City and County Assessor		15,762,340	66,620,910	46,503,550		80,394,806	6.19	9,174,741	809,386,550
	Secured—State Board of Equalization		\$356,201,420	\$559,588,370	\$254,333,380	\$48,746,094	\$1,121,477,076		\$609,095,069	\$1,730,572,685
1922-23	Unsecured—City and County Assessor		348,660,965	1,080,922,235	220,812,645		220,812,645	6.19	571,043,856	789,771,564
	Secured—City and County Assessor		16,714,810	67,703,770	44,350,910		81,716,431	6.27	8,386,619	853,853,076
	Secured—State Board of Equalization		\$363,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$630,089,915	\$1,793,067,530
1923-24	Unsecured—City and County Assessor		350,820,577	1,088,705,058	232,302,098		232,302,098	5.67	598,586,730	828,874,433
	Secured—City and County Assessor		16,799,640	68,685,230	47,872,160		857,728,718	6.27	5,772,985	863,501,023
	Secured—State Board of Equalization		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$663,511,555	\$1,884,881,826

CITY AND COUNTY OF SAN FRANCISCO

DETAIL OF TAX RATES

Fiscal Years 1944-45 to 1953-54

	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
General Fund—Charter Limit \$1.65.....	1.401275	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311
General Fund—Other Necessary Expenditures Not Limited.....	.786845	.788891	.886788	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365
Unified School District.....	.984317	1.132731	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564
Recreation.....	.114708	.127712	.148002	.128131	.139433	.126423	.....	.....	.....	.....
Park.....	.177261	.177718	.231787	.194877	.272223	.203699	.....	.....	.....	.....
Recreation and Park.....	.....	.....	.....	.....	.....	.....	.333286	.308968	.300406	.333419
Library.....	.059224	.077863	.092736	.079649	.085277	.079214	.103886	.083429	.084568	.086696
Employees' Retirement.....	.280470	.367666	.415228	.607937	.572093	.761183	.728602	.768251	.727307	.774782
Bond Interest and Redemption.....	.550637	.534730	.562023	.427027	.345373	.232312	.257541	.225908	.166542	.184849
de Young Museum.....	.019073	.018125	.028140	.024749	.046452	.019540	.041135	.020559	.025020	.035008
California Palace of the Legion of Honor.....	.012274	.012867	.023237	.015741	.021058	.015458	.015651	.017172	.016888	.018072
War Memorial.....	.013011	.010328	.030623	.014676	.019291	.017742	.021101	.016755	.017447	.017548
Publicity and Advertising.....	.023841	.023595	.036508	.031683	.027403	.026161	.026098	.024423	.022763	.022529
Tax Judgments.....	.011044	.....	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers.....	.....	.....	.....	.....	.....	.....	.....	.008818	.014731	.016049
Special Election Fund.....	.....	.....	.....	.006512	.....	.....	.000100	.....	.000267	.....
Interest on Tax Anticipation Notes.....	.004730	.000047	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings.....	.115437	.129648	.150632	.130660	.129071	.093146	.103213	.096888	.095479	.106698
Airport.....	.041186	.050770	.111692	.030353	.030325	.203735	.190286	.118155	.137666	.116020
Hetch Hetchy Water Supply.....	.094667	.052728	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway.....	.....	.....	.....	.....	.215088	.....	.119469	.170008	.....	.....
P. U. C. Purchase of California St. Cable R. R. Co.....	.....	.....	.....	.....	.....	.....	.016870	.....	.....	.....
Contribution to Purchase Butano Forest.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.010090
Total Levy.....	4.69	4.83	5.55	5.62	6.09	5.66	6.29	6.19	5.67	6.27

CITY AND COUNTY OF SAN FRANCISCO
 AMOUNTS OF TAX LEVIES AND DELINQUENCIES
 Fiscal Years 1931-32 to 1952-53

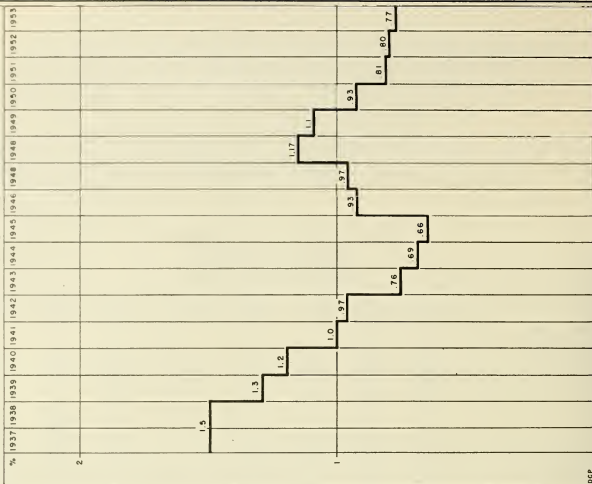
Fiscal Year	Amount of Levy	Uncollected at June 30 Amount	%	Uncollected at June 30 Amount	%
1931-32	\$32,714,462.72	\$ 718,830	2.20	\$ 43,576*	.13
1932-33	31,752,725.86	1,706,581	5.37	229,694	.72
1933-34	26,583,269.62	1,316,809	4.95	161,140	.61
1934-35	28,808,182.68	958,096	3.33	26,719	.09
1935-36	30,634,662.45	612,784	2.00	24,433	.08
1936-37	30,986,643.33	449,704	1.45	20,796	.07
1937-38	31,994,074.61	483,081	1.50	30,660	.10
1938-39	33,337,811.68	442,132	1.32	19,269	.06
1939-40	32,575,922.01	390,407	1.19	27,568	.08
1940-41	33,162,784.71	367,339	1.04	42,728	.12
1941-42	36,469,224.70	354,994	.97	67,189	.18
1942-43	37,469,083.07	288,158	.76	61,853	.17
1943-44	36,797,770.96	234,508	.69	49,330	.13
1944-45	39,647,406.19	262,652	.66	34,106	.09
1945-46	41,184,389.39	380,975	.93	41,759	.10
1946-47	47,374,327.51	457,779	.97	58,114	.12
1947-48	51,718,353.83	602,680	1.17	107,724	.21
1948-49	60,779,269.51	669,631	1.10	147,491	.24
1949-50	60,858,563.25	567,617	.93	135,349	.22
1950-51	66,522,057.12	537,393	.81	145,766	.22
1951-52	70,596,215.05	561,703	.80	225,408	.32
1952-53	69,947,161.78	539,325	.77	539,325	.77

*Includes delinquent taxes for 1931-32 and those of prior years.

CITY AND COUNTY OF SAN FRANCISCO

PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1953-54

	Valuation	Tax Yield	Rate Per \$100
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured			
Personal Property:			
Real Estate and Improvements.....	\$899,525,635		
Tangible Personal Property.....	8,114,636		
Less Veterans' and Welfare Exemptions.....	49,911,533		
	857,728,738	\$53,779,747.94	6.27
Solvent Credits.....	5,772,285	5,771.54	.10
Total.....	863,501,023	53,785,519.48	
Unsecured Personal Property (Collected):			
Tangible Personal Property.....	115,621,021		
Less Veterans' and Welfare Exemptions.....	1,581,597		
	114,039,424	6,466,083.50	5.67
Solvent Credits.....	438,474,853	438,481.77	.10
Total.....	552,514,277	6,904,565.27	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property.....	116,681,077		
Less Veterans' and Welfare Exemptions.....	432,798		
	116,248,279	6,591,301.62	5.67
Solvent Credits.....	160,111,877	160,114.30	.10
Total.....	276,360,156	6,751,415.92	
Total Assessed by City and County Assessor...	1,692,375,456	67,441,500.67	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements.....	85,484,870		
Tangible Personal Property.....	47,872,160	8,361,486.32	6.27
Solvent Credits.....	59,152,340	59,152.34	.10
Total Assessed by State Board of Equalization....	192,509,370	8,420,638.66	
Total of above Assessments.....	1,884,884,826		
Total Tax Yield 1953-54.....		75,862,139.33	
Reassessments.....		385.86	
TOTAL TAX YIELD.....		\$75,862,525.19	

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF BONDING CAPACITY
AT JUNE 30, 1953

Maximum Limit:

12% of 1953-54 Assessment Roll (\$1,884,884,826)..... \$226,186,179

Bonded Debt Not Matured June 30, 1953:

Total.....	\$197,866,000	
Exempt from 12% Limit (a)	78,106,000	119,760,000

Limit of Future Bond Sales (Subject to 12% Limit).....		\$106,426,179
--	--	---------------

Unissued (Unsold) Bonds, June 30, 1953:

	Total	Exempt from 12% Limit	Subject to 12% Limit
1947 Street Improvement.....	\$ 7,950,000		\$ 7,950,000
1947 Off-Street Parking.....	4,000,000		4,000,000
1947 Recreation.....	3,770,000		3,770,000
1948 Sewage Treatment.....	2,450,000		2,450,000
1948 Schools.....	7,990,000		7,990,000
1952 Firchouse.....	4,750,000		4,750,000
Total.....	\$30,910,000	—0—	\$30,910,000

(a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS
AS AT JUNE 30, 1953

FISCAL YEAR	General City, Including S. F. U. S. D.				Public Service Enterprises		
	GRAND TOTAL	Total	Bond Redemption	Bond Interest	Total	Bond Redemption	Bond Interest
1953-54	\$ 19,066,912.50	\$ 7,220,673.75	\$ 5,654,000	\$ 1,566,673.75	\$ 11,846,238.75	\$ 8,580,000	\$ 3,266,238.75
1954-55	19,929,668.75	7,931,586.25	6,394,000	1,537,586.25	11,998,082.50	8,946,000	3,052,082.50
1955-56	19,621,298.75	7,847,748.75	6,443,000	1,404,748.75	11,773,550.00	8,945,000	2,828,550.00
1956-57	19,312,633.75	7,760,557.50	6,487,000	1,273,557.50	11,552,076.25	8,951,000	2,601,076.25
1957-58	18,507,078.75	7,806,498.75	6,662,000	1,144,498.75	10,700,580.00	8,314,000	2,386,580.00
1958-59	18,177,480.00	7,680,137.50	6,666,000	1,014,137.50	10,497,342.50	8,334,000	2,163,342.50
1959-60	17,699,508.75	7,547,936.25	6,661,000	886,936.25	10,151,572.50	8,214,000	1,937,572.50
1960-61	16,344,131.25	7,316,798.75	6,561,000	755,798.75	9,027,332.50	7,314,000	1,713,332.50
1961-62	15,373,461.25	6,940,973.75	6,316,000	624,973.75	8,432,487.50	6,930,000	1,502,487.50
1962-63	15,041,913.75	6,819,028.75	6,315,000	504,028.75	8,222,885.00	6,929,000	1,293,885.00
1963-64	13,729,512.50	6,149,260.00	5,767,000	382,260.00	7,580,252.50	6,496,000	1,084,252.50
1964-65	12,399,850.00	5,977,225.00	5,702,000	275,225.00	6,422,625.00	5,531,000	891,625.00
1965-66	10,090,061.25	5,756,110.00	5,576,000	180,110.00	4,333,951.25	3,593,000	740,951.25
1966-67	5,466,956.25	2,092,775.00	2,015,000	77,775.00	3,374,181.25	2,750,000	624,181.25
1967-68	5,018,348.75	1,754,037.50	1,725,000	29,037.50	3,264,311.25	2,750,000	514,311.25
1968-69	3,057,385.00	491,062.50	485,000	6,062.50	2,566,322.50	2,160,000	406,322.50
1969-70	2,110,965.00	.....	.....	.....	2,110,965.00	1,800,000	310,965.00
1970-71	1,929,482.50	.....	.....	.....	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00	.....	.....	.....	775,500.00	600,000	175,500.00
1972-73	748,500.00	.....	.....	.....	748,500.00	600,000	148,500.00
1973-74	721,500.00	.....	.....	.....	721,500.00	600,000	121,500.00
1974-75	694,500.00	.....	.....	.....	694,500.00	600,000	94,500.00
1975-76	667,500.00	.....	.....	.....	667,500.00	600,000	67,500.00
1976-77	640,500.00	.....	.....	.....	640,500.00	600,000	40,500.00
1977-78	613,500.00	.....	.....	.....	613,500.00	600,000	13,500.00
<hr/>							
	\$237,738,148.75	\$97,092,410.00	\$85,429,000	\$11,663,410.00	\$140,645,738.75	\$112,437,000	\$28,208,738.75

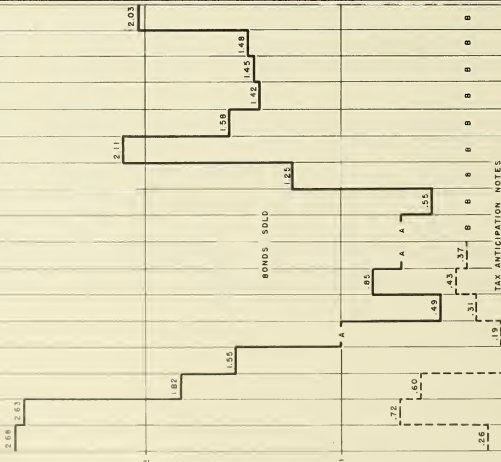
Unsold Bonds at June 30, 1953 in the amount of \$30,910,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO

AVERAGE NET INTEREST COST

ON BONDS AND TAX ANTICIPATION NOTES
SOLD DURING FISCAL YEARS ENDING

% 1937 1938 1939 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953



A - No Bonds Sold
B - No Tax Anticipation Notes Sold

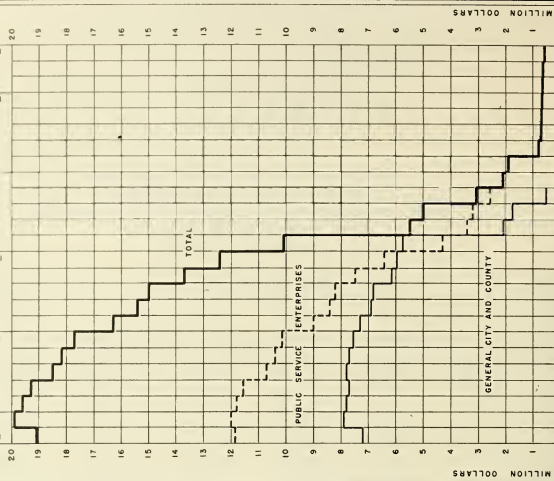
H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

BOND INTEREST AND REDEMPTION

REQUIREMENTS FOR FISCAL YEARS ENDING

1954 1955 1960 1965 1970 1975 1978



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
General City Issues:										
Taxes.....										
Special Road Improvement Fund.....	\$ 4,695,174	\$ 4,542,792	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,556
Capital Improvement Fund.....	88,200	88,200	88,200	88,200	.....	.....	.....	.....	.....	.....
Surplus.....	29,726	12,596	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,032,863
						136,932	.....	.....	.....	.....
	4,813,100	4,643,588	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399
Public Service Enterprises:										
Utility Earnings:										
Water Department.....	5,070,389	5,392,392	6,210,245	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567
Hetch Hetchy Project.....	2,087,213	1,832,590	1,530,578	1,503,573	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727
Municipal Railway.....	142,500	137,500	132,500	127,500	868,771	1,231,388	315,722	1,849,107	1,849,107	1,861,459
Airport.....	.....	.....	.....	.....	.....	.....	124,584	366,099	437,912	663,500
Proceeds from Bond Funds.....	.....	2,891	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund (via Utility)	.....	.....	.....	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....
Taxes (via Utility).....	1,035,948	792,007	849,565	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892
Surplus.....	6,708	.....	.....	.....	.....	.....	.....	.....	.....	.....
	8,342,758	8,157,390	8,522,688	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145
Total Budgeted Requirements.....	\$13,155,858	\$12,800,968	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544



Office of the Controller



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

Price Waterhouse & Co.

351 CALIFORNIA STREET, SAN FRANCISCO 4

November 9, 1953

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Dear Sirs:

In accordance with your resolution No. 13423, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1953. The financial statements, attached hereto, are as follows:

	<u>Exhibit</u>
General City and County (i.e. exclusive of Public Service Enterprises) and San Francisco Unified School District:	
Combined balance sheet, all funds, June 30, 1953.....	A
Summary of changes in unappropriated balance of funds, for the year ended June 30, 1953	B
Statement of revenues and expenses, for the year ended June 30, 1953.....	C
Summary of fixed assets, June 30, 1953	D
Bonded indebtedness, June 30, 1953	E
Individual fund balance sheets, June 30, 1953:	
Summary	F
Current funds	G
Capital funds	H
Retirement and other public trust funds	I
Private trust funds	J
Assessment and redemption funds	K
Agency funds	K
Public Service Enterprises:	
Reconciliation of proprietary surplus with unappropriated balance of funds, June 30, 1953.....	L
Individual fund balance sheets, June 30, 1953	M

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examinations of these accounts are made by other auditors as follows:

- By other independent public accountants:
 - Municipal Railway of San Francisco
 - San Francisco Water Department and Hetch Hetchy Project
- By the Controller's Utilities Audit Division:
 - Public Utilities Commission
 - San Francisco Airport

Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30, 1953 by other auditors as follows:

- By other independent public accountants:
 - San Francisco Unified School District (a separate political entity)
 - City and County of San Francisco Employees' Retirement System
- By the Controller's General Audit Division:
 - Cash securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30, 1953 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly

PRICE WATERHOUSE & CO

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
AND
SAN FRANCISCO UNITED SCHOOL DISTRICT
COMBINED BALANCE SHEET — ALL FUNDS
(See Notes to Financial Statements)

ASSETS AND OTHER RESOURCES

	June 30, 1953	June 30, 1952
CASH:		
On deposit with Treasurer.....	\$ 60,820,582	\$ 69,960,840
Less—Outstanding warrants, matured bonds and coupons.....	1,304,162	783,732
Revolving funds.....	\$ 59,516,420	\$ 69,177,108
	49,750	59,550
	\$ 59,566,170	\$ 69,236,658
ACCOUNTS RECEIVABLE:		
Real and personal property taxes, penalties and costs, secured.....	\$ 619,779	\$ 669,952
Personal property taxes, penalties and costs, unsecured.....	1,827,465	1,688,954
Purchase, use and franchise taxes.....	1,862,645	3,691,001
Real estate taxes.....	3,768,831	3,747,750
Departmental receivables.....	508,655	1,137,679
Receivable under contract for sale of bonds (Note A).....	7,300,000	1,156,301
Accrued interest and other.....	1,305,614	9,791,670
	\$ 17,617,125	\$ 2,826,739
Less—Reserves.....	2,768,831	2,826,739
	\$ 14,848,294	\$ 6,964,931

**OWING BY PUBLIC SERVICE
ENTERPRISES (NET)**

Securities.....	\$ 1,981,845	\$ 214,129
Real estate, etc.....	\$ 126,685,587	\$ 109,515,848
	55,990	55,990
	\$ 126,739,577	\$ 109,571,838
OTHER RESOURCES:		
Authorized but uncollected bonds (Note A).....	\$ 30,910,000	\$ 44,460,000
Available federal aid.....	486,000	606,377
Available state aid, less reserves of \$1,650 (1953) and \$126,798 (1952).....		
	\$ 31,396,000	\$ 45,066,377
	\$ 234,531,886	\$ 231,053,933

Supplementary Data:

- (1) Proprietary equity in Public Service Enterprises (Exhibit L).....
- (2) Fixed assets other than properties and equipment of the city owned Public Service Enterprises
(Exhibit D) (Note B).....
- (3) Bonded indebtedness other than that of the city owned Public Service Enterprises (chargeable, together with
interest thereon, against revenues of taxing years) (Exhibit E).....
- (4) Contingent liabilities, etc.—see Note C

LIABILITIES AND FUND BALANCES

	June 30, 1953	June 30, 1952
ACCOUNTS PAYABLE, ETC.:		
Accounts payable.....	\$ 909,641	\$ 1,020,486
Accrued payroll.....	3,206,131	3,521,473
Deposits and sundry.....	50,974	90,281
	\$ 4,166,746	\$ 4,632,240
DEFERRED CREDITS:		
Unsecured personal property taxes applicable to the ensuing fiscal year.....	\$ 5,248,797	\$ 5,961,026
Miscellaneous.....	1,261,456	874,562
	\$ 6,510,253	\$ 6,835,588

**RETIREMENT, TRUST AND AGENCY FUND
BALANCES (for balances of individual funds,
see Exhibits F, I, J and K):**

Reserve for encumbrances.....	\$ 100,926	\$ 66,880
Unallocated tax appropriations, Employees' Retirement Fund.....	1,422,442	1,698,346
Other balances, unencumbered.....	133,882,930	117,987,564
	\$ 135,406,298	\$ 119,752,790

CURRENT AND CAPITAL FUND BALANCES

AND RESERVES:		
Cash reserve fund.....	\$ 7,059,622	\$ 7,059,622
Reserve for encumbrances.....	15,319,197	18,107,230
Reserve for unencumbered appropriations.....	45,943,971	56,866,403
	\$ 68,322,790	\$ 82,033,255
Unappropriated balance of funds (for balances of individual funds, see Exhibit F, G and H) (Exhibit B).....	20,125,799	17,800,060
	\$ 88,448,589	\$ 99,833,315
	\$ 234,531,886	\$ 231,053,933

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

—AND—

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF CHANGES IN UNAPPROPRIATED BALANCE OF FUNDS

	YEAR ENDED		
	June 30, 1953	June 30, 1952	June 30, 1951
Balance, beginning of year.....	\$17,800,060	\$26,324,809	
Add:			
Excess of revenues over expenses (Exhibit C).....	8,616,786	11,682,601	
Reduction in reserves:			
	June 30, 1953	June 30, 1952	June 30, 1951
Cash reserve fund.....	\$ 7,059,622	\$ 7,059,622	\$ 6,652,205
Reserve for encumbrances.....	15,319,197	18,107,230	22,421,529
Reserve for unencumbered appropriations.....	45,943,971	56,866,403	60,793,176
	<u>\$68,322,790</u>	<u>\$82,033,255</u>	<u>\$89,866,910</u>
Additional bonds authorized.....	13,710,465	7,833,655	
Federal aid made available.....	4,750,000		
	540,000		
Receipt of State Aid under Chapter 47, Statutes of 1944 (recovery of certain capital outlays from bond funds).....			119,758
Proceeds from sales of fixed assets (book value of assets sold, 1953—\$264,908, 1952—\$84,477).....	649,286	99,021	
Miscellaneous.....	64,276		
	<u>\$46,130,873</u>	<u>\$46,059,844</u>	
Deduct:			
Additions to fixed assets.....	\$20,644,480	\$22,159,653	
Less—Amounts contributed by State Highway Trust Fund.....	478,906	640,647	
	<u>\$20,165,574</u>	<u>\$21,519,006</u>	
Bonds redeemed.....	5,540,000	5,653,000	
Expenditures on uncompleted interdepartmental work orders, charged to unappropriated balance of funds:			
At June 30, 1953.....	\$3,727,929		
At June 30, 1952.....		3,428,429	
At June 30, 1951.....		2,491,855	936,574
Miscellaneous.....			151,204
	<u>\$26,005,074</u>	<u>\$28,259,784</u>	
Balance, end of year.....	<u>\$20,125,799</u>	<u>\$17,800,060</u>	

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
—AND—
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENSES

	YEAR ENDED	
	June 30, 1953	June 30, 1952
Revenues:		
Property taxes, penalties, interest and costs.....	\$ 69,852,672	\$ 70,595,833
Grants-in-aid and shared state taxes.....	39,508,407	38,932,329
Departmental service charges, etc.....	6,620,108	6,182,217
Retail purchase and use tax.....	5,049,201	4,923,011
Fines, forfeits and penalties other than from property taxes.....	2,246,475	1,882,284
Franchise taxes.....	1,049,986	980,204
Licenses.....	648,467	633,959
Bank interest.....	526,697	530,303
Rentals from nonoperating school property.....	367,265	358,655
Housing authority in lieu of taxes.....	244,435	326,222
Other.....	134,104	87,988
	<u>\$126,247,817</u>	<u>\$125,433,005</u>
Expenses:		
Departmental expenses (adjusted for inventories and other deferred charges):		
General government.....	\$ 8,539,705	\$ 8,715,154
Public safety.....	18,748,784	17,553,005
Highways.....	2,722,831	1,950,737
Sanitation.....	2,957,688	2,569,934
Health conservation.....	2,502,420	2,390,449
Hospitals.....	6,478,313	6,360,753
Public welfare.....	22,233,625	22,262,193
Corrections.....	1,801,926	1,208,701
Schools.....	29,341,754	26,798,540
Libraries.....	935,314	923,544
Recreation.....	5,075,479	4,944,539
	<u>\$101,337,839</u>	<u>\$ 95,677,549**</u>
Pension costs—Employees' Retirement System.....	12,541,720	11,880,452
Bond interest (accrual basis).....	1,447,005	1,367,580
Civilian Defense.....	218,896	303,405
Assessments, Joint Highway Districts.....	99,000	169,133
Provision from property and other taxes for support of:		
Municipal Railway.....	9,000*	2,384,117
Airport.....	1,604,442	1,712,594
Public Utilities Commission.....	1,812	65,136
Miscellaneous.....	213,370	21,749
	<u>\$117,455,084</u>	<u>\$113,581,715</u>
Excess of revenues over expenses, proprietary basis.....	\$ 8,792,733	\$ 11,851,290
Add:		
Deferred charges, beginning of year:		
Inventories of materials and supplies.....	\$ 1,095,040	\$ 939,386
Miscellaneous.....	96,999	78,764
Accrued bond interest, end of year.....	460,357	499,993
	<u>\$ 1,652,396</u>	<u>\$ 1,518,143</u>
Deferred charges, end of year:		
Inventories of materials and supplies.....	\$ 1,078,053	\$ 1,095,040
Miscellaneous.....	196,297	96,999
Accrued bond interest, beginning of year.....	499,993	494,793
Federal aid collections included in proprietary revenues.....	54,000	
	<u>\$ 1,828,343</u>	<u>\$ 1,686,832</u>
Excess of revenues over expenses, funding basis.....	\$ 8,616,786	\$ 11,682,601

*Denotes reduction.

**For comparative purposes, certain relatively minor reclassifications have been made in departmental expenses for the fiscal year ending June 30, 1952.

CITY AND COUNTY OF SAN FRANCISCO
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF
THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1953

NOTE A—Bonds authorized but unsold:

The following is a summary of unissued and unsold bonds, exclusive of bonds of the city owned Public Service Enterprises, as at June 30, 1953:

Unissued bonds:		
1947 Street Improvement.....	\$ 7,950,000	
1947 Off-Street Parking.....	4,000,000	
1947 Recreation.....	6,270,000	
1948 Sewage Treatment.....	2,450,000	
1948 Schools.....	12,790,000	
1952 Firehouse.....	4,750,000	\$38,210,000
Deduct—Bonds sold (bid accepted) June 29, 1953 but not issued until August 1, 1953:		
1947 Recreation.....	\$ 2,500,000	
1948 Schools.....	4,800,000	7,300,000
Unsold bonds, June 30, 1953.....		<u>\$30,910,000</u>

NOTE B—Fixed assets:

The amount of \$338,138,659 does not purport to represent the cost of properties and equipment presently owned by the City and County, exclusive of the city owned Public Service Enterprises, and by the School District; the principal reasons for this are as follows:

- (1) An equity of approximately \$606,000 has been acquired in parking meters (including \$45,000 during the year under review) which, together with the balance of \$34,000 owing at June 30, 1953 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenue.
- (2) A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of each fiscal year (\$3,729,929 at June 30, 1953 and \$3,428,429 at June 30, 1952 per Exhibit B) is applicable to land, structures or equipment but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- (3) A substantial but undetermined amount of retentions from payments or accruals for work completed to June 30, 1953 on construction contracts then in progress has not been given recognition in the accounts as at that date except in the reserve for encumbrances.
- (4) Certain of the properties are recorded at appraised values.

NOTE C—Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District at June 30, 1953 aggregating approximately \$22,000,000 and \$100,000, respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$22,000,000 against the City and County, were claims aggregating approximately \$16,500,000 against the Municipal Railway in respect of which the Railway has provided a reserve of \$3,040,000; no such reserve has been provided by any of the other departments of the municipality nor by the School District.

The Retirement Board has estimated the reserve requirements as at June 30, 1953 for employees compensation claims at \$1,338,000 for the entire municipality including \$113,000 for the School District. No provision has been made in the books nor on the accompanying financial statements in respect of the portion of this estimated liability, \$1,080,000, which applies to General City and County Departments and School District. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable in respect of the operating expenses and of the bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1953 show:

- (1) Net income of \$2,079,159, after provision for bond interest.
- (2) Bonds outstanding at June 30, 1953 of \$31,200,000, which mature \$800,000 per annum for the next five years.
- (3) A sinking fund for retirement of bonded debt amounting at June 30, 1953 to \$7,622,857.

EXHIBIT D
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FIXED ASSETS
JUNE 30, 1953

	Total	Land	Structures and Improvements	Equipment
Current Year's Additions—Net:				
General Government:				
Civic Center, including City Hall.....	\$ 70,205		\$ 12,555	\$ 57,650
Public Safety:				
Fire Department.....	425,994	\$ 17,958	277,486	130,550
Police Department.....	80,889		279	80,610
Department of Electricity.....	26,706		3,456	23,250
Highways:				
Streets, tunnels, bridges, etc.....	5,032,178	24,272	4,988,555	19,351
Asphalt plant.....	24,031		24,031	
Off-street parking.....	183,074	174,794	8,280	
Sanitation:				
Sewers and sewage disposal plants.....	2,367,564	3,157	2,334,796	29,611
Street Cleaning Department.....	2,510			2,510
Health Conservation:				
Hassler Health Home.....	6,391			6,391
Civic Center Health Building.....	6,544			6,544
Hospitals:				
San Francisco Hospital.....	182,763		145,521	37,242
Emergency Hospitals.....	5,315			5,315
Public Welfare:				
Laguna Honda Home.....	12,114			12,114
Welfare Department.....	9,033			9,033
Corrections:				
Juvenile Dentention Home.....	9,626		9,626	
Youth Guidance Center.....	3,209		3,209	
Log Cabin Ranch.....	1,823		1,280	543
Schools.....	11,014,109	65,754	10,142,247	806,108
Libraries.....	11,866	4,980	3,835	3,051
Recreation:				
Playgrounds and swimming pools.....	381,623	1,864	353,026	26,733
Museum, art galleries, etc.....	83,550		68,330	15,220
War Memorial and Opera House.....	888		1,025	137*
Parks and squares.....	314,491	77,337	215,749	21,405
Auditorium.....	2,326			2,326
Golf links.....	22,500	22,500		
Kezar Stadium.....	3,000		3,000	
Others:				
Central warehouse and corporation yard.....	10,476		10,476	
Miscellaneous.....	84,775	3,532	36,507	44,736
	\$ 20,379,573	\$ 396,148	\$ 18,643,269	\$ 1,340,156
Prior Years' Additions.....	317,759,086	59,220,212	234,619,517	23,919,337
	<u>\$338,138,659</u>	<u>\$59,616,360</u>	<u>\$253,262,786</u>	<u>\$25,259,513</u>

*Denotes reduction.

EXHIBIT E
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

BONDED INDEBTEDNESS — JUNE 30, 1953

Schools:

March 1, 1923, 5¢	\$ 4,200,000	
1948, Series A—March 1, 1949, 1¼¢ and 1½¢	5,900,000	
1948, Series B—April 1, 1951, 1¼¢ and 1¾¢	9,490,000	
1948, Series C—March 1, 1952, 1½¢	8,650,000	
1948, Series D—December 1, 1952, 1¾¢	10,000,000	
1948, Series E—August 1, 1953, 2½¢ and 4¢	4,800,000*	\$43,040,000

Parks and Playgrounds:

Parks and Squares, February 1, 1931, 4½¢	\$ 392,000	
Playgrounds, February 1, 1931, 4½¢	56,000	
1947 Recreation, Series A—August 1, 1948, 1½¢ and 1¾¢	1,674,000	
1947 Recreation, Series B—November 1, 1949, 1¢ to 1½¢	1,068,000	
1947 Recreation, Series C—September 1, 1950, 1¢ to 1½¢	1,994,000	
1947 Recreation, Series D—August 1, 1953, 2½¢ and 4¢	2,500,000*	7,684,000

Boulevards and Roads:

Boulevards and Roads, February 1, 1931, 4½¢	\$ 252,000	
1947 Street Improvement, Series A—February 1, 1948, 2¢	1,500,000	
1947 Street Improvement, Series B—August 1, 1949, 1¢ to 4¢	1,670,000	
1947 Street Improvement, Series C—November 1, 1949, 1¢ to 1½¢	4,680,000	
1947 Street Improvement, Series D—September 1, 1950, 1¼¢ and 1½¢	754,000	
1947 Street Improvement, Series E—March 1, 1952, 1¼¢ and 1½¢	2,375,000	
1947 Street Improvement, Series F—December 1, 1952, 1¾¢	1,000,000	12,231,000

Sewers:

July 1, 1908, 5¢	\$ 200,000	
January 1, 1929, 4½¢	200,000	
December 1, 1933, 4¢	865,000	
1944, Series B—February 1, 1948, 1¾¢ to 2½¢	5,330,000	
1948 Sewage Treatment, Series A—August 1, 1949, 1¢ to 4¢	6,309,000	
1948 Sewage Treatment, Series B—November 1, 1949, 1¢ to 1½¢	2,508,000	
1948 Sewage Treatment, Series C—March 1, 1952, 1¼¢ and 1½¢	1,925,000	17,337,000

Fire Protection:

July 1, 1908, 5¢	\$ 390,000	
High Pressure System, December 1, 1933, 3¢	100,000	490,000

Other issues:

City Hall and Civic Center, July 1, 1912, 5¢	\$ 1,600,000	
1948 Juvenile Court and Detention Home, Series A— August 1, 1948, 1½¢ and 1¾¢	1,301,000	
1948 Juvenile Court and Detention Home, Series B— November 1, 1949, 1¢ to 1½¢	771,000	
1947 Off-Street Parking, Series A—March 1, 1952, 1¼¢ and 1½¢	975,000	4,647,000
		<u>\$85,429,000</u>

* These bonds were sold (bid accepted) June 29, 1953 but were not issued until August 1, 1953.

EXHIBIT F
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF INDIVIDUAL FUND BALANCE SHEETS
JUNE 30, 1935

	Current funds (Exhibit G)	Capital funds (Exhibit H)	Reimburse- ment and trust funds (Exhibit I)	Private trust funds (Exhibit J)	Assessment and redemption funds (Exhibit K)	Agency funds (Exhibit L)	Total before adjustment	Adjustments and transfers* Debit	Credit	Total after adjustment
Assets and Other Resources										
Cash.....	\$27,506,836	\$20,926,766	\$ 3,631,113	\$2,819,424	\$12,344	\$835,659	\$ 5,732,142	\$ 49,750 (A)	\$ 311,098 (D)	\$ 59,566,170
Receivables, less reserves.....	9,071,903	7,300,000	891,515	.....	340	.....	17,263,758	4,095,376 (C)	2,736,225 (B)	14,848,294
Interfund accounts receivable.....	17,949,097	250,000	587,349	.....	.....	.....	18,786,146	353,367 (B)	32,606 (J)	1,981,845
Investments.....	496,953	30,910,000	126,739,577	.....	.....	.....	126,739,577	330,834 (D)	17,071,385 (L)	126,739,577
Other resources, less reserve.....	.....	.....	.....	.....	.....	.....	31,406,353	.....	1,650 (H)	31,596,000
								.....	9,303 (K)	\$234,531,886
Liabilities and Fund Balances										
Accounts payable, etc.....	\$55,024,789	\$59,386,766	\$131,849,554	\$2,819,424	\$12,684	\$835,659	\$249,928,876	.....	4,095,376 (C)	\$ 4,166,746
								.....	19,736 (D)	50,975 (E)
								.....	659 (H)	6,510,253
Deferred credits.....	.....	.....	\$ 85,232	\$ 659	.....	\$ 15,035	100,926	.....	.....	100,926
Retirement, trust and agency reserves.....	.....	.....	1,698,346	.....	.....	.....	1,698,346	.....	.....	1,422,442
Reserve for encumbrances.....	.....	.....	129,780,301	2,818,483	\$12,684	816,704	133,428,172	275,904 (M)	178,834 (I)	133,862,930
Unallocated tax appropriations, Employees' Retirement Fund Other balances, unencumbered.....	.....	.....	285,675	282	.....	3,920	17,071,385	17,071,385 (L)	275,904 (M)	.....
Interfund accounts payable.....	12,442,665	\$ 4,338,843	.....	.....	.....	.....	.....	.....	.....	.....
Reserves:										
Reserve for encumbrances.....	7,059,622	10,737,235	.....	.....	.....	.....	7,059,622	.....	.....	7,059,622
Reserve for unencumbered appropriations.....	4,561,962	.....	.....	.....	.....	.....	15,319,197	.....	.....	15,319,197
Other reserves.....	13,234,825	32,710,553	.....	.....	.....	.....	45,945,378	50,975 (E)	49,568 (G)	45,943,971
	2,796,602	.....	.....	.....	.....	.....	2,796,602	8,500 (F)	.....	.....
	.....	.....	.....	.....	.....	.....	.....	2,783,588 (G)	.....	.....
	.....	.....	.....	.....	.....	.....	.....	242,904 (I)	49,750 (A)	20,125,799
	8,418,860	11,580,135	.....	.....	.....	.....	19,998,995	32,606 (J)	353,367 (B)	.....
Unappropriated balance of funds.....	.....	.....	.....	.....	.....	.....	.....	9,303 (K)	8,500 (F)	.....
										\$234,531,886
	\$55,024,789	\$59,386,766	\$131,849,554	\$2,819,424	\$12,684	\$835,659	\$249,928,876			

* See following page.

EXHIBIT F (Continued)

Adjustments and transfers:

- (A) To restore revolving funds to cash.
- (B) To record tuition receivable from other counties for nonresident students at City College.
- (C) To reclassify as payables, warrants recorded in June, issued in July.
- (D) To reclassify, from cash in transit account, receivables from Public Service Enterprises and payables to others, for payroll deductions.
- (E) To record sundry payables.
- (F) To eliminate reserves provided for supplemental appropriations to be made after June 30, 1953.
- (G) To eliminate reserves provided against advances to General Fund, from other funds, for stores revolving funds.
- (H) To reclassify reserves for unsecured property taxes, departmental receivables, etc.
- (I) To eliminate interdepartmental work order and budget transfer balances between general city funds and:

Retirement, Trust and Agency Funds.....	\$178,854
Public Service Enterprise Funds.....	<u>64,050</u>
	<u>\$242,904</u>
- (J) To record reserves against sundry receivables.
- (K) To eliminate sundry small supply inventories.
- (L) To net interfund balances.
- (M) To record reduction during year ended June 30, 1953 in unallocated tax appropriations, Employees' Retirement Fund.

EXHIBIT G

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

— AND —

SAN FRANCISCO UNITED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — CURRENT FUNDS
JUNE 30, 1953

Cash	Receivables	Other Resources	Interfund Accounts	Total	Deferred Credits	Reserves	Interfund Accounts	Excess Unencumbered Appropriations	Cash and Other Funds
\$ 665,631	\$2,179,490	\$ 9,303	\$ 1,975,738	\$ 1,975,738	\$ 1,975,738	\$ 948,054	\$ 2,783,881	\$2,746,602	\$1,975,738
688,859	5,425	55,374	8,003,648	10,838,072	10,838,072	128	544,767	76,248	128
289,438	1,121,802	.....	749,658	749,658	749,658	139	1,003,998	431,180	387,080
259,335	1,121,802	.....	1,391,240	1,391,240	1,391,240	1,297	3,967,607	431,180	403,788
435,261	1,121,802	.....	1,121,265	1,121,265	28,383	8,260	1,003,998	193,769	193,769
315,866	1,269	.....	320,601	320,601	.....	.....	33,354	17,053	78,125
128,532	.....	.....	128,532	128,532	128,532	.....	10,598	719	.....
11,317	.....	.....	11,317	11,317	163,991	13,376	13,376	4,389	146,226
163,991	.....	.....	163,991	163,991	24,732	5,916	5,916	18,816	.....
24,732	221,562	.....	869,333	1,115,584	1,222,684	192,705	1,000,000	.....	29,979
17,769	.....	.....	1,222,684	1,222,684	.....	.....	.....	48,738	48,738
32,827	579,339	.....	33,104	5,260,270	5,260,270	24,568	1,029,697	432,231	2,434,022
4,647,827	817,779	486,000	42,179	4,465,612	4,465,612	800,369	725,315	743,609	2,990,172
131,519	10,752	.....	142,271	142,271	142,271	349	16,979	21,539	5,000
5,897	.....	.....	5,897	5,897	.....	.....	.....	5,897	.....
8,865	29,346	.....	8,865	8,865	.....	.....	8,865	.....	.....
225,106	195,277	.....	254,432	254,432	.....	.....	150	.....	249,269
7,635,127	1,947,686	.....	9,362,813	9,362,813	.....	125,761	2,966,627	30,707	4,603,494
2,896,561	1,491,867	.....	10,174,778	10,174,778	1,132,302	1,132,302	1,982,854	.....	2,721,785
731,976	.....	.....	1,496,411	1,496,411	1,496,411	.....	.....	1,496,411	.....
5,153	.....	.....	5,153	5,153	.....	.....	.....	5,153	.....
20,400	.....	.....	20,400	20,400	.....	.....	.....	20,400	.....
340,000	.....	.....	240,000	240,000	.....	.....	240,000	.....	.....
227,701	.....	.....	227,701	227,701	.....	.....	227,701	.....	.....
167,980*	.....	.....	167,980*	167,980*	.....	.....	.....	.....	167,980*
171,332*	.....	.....	171,332*	171,332*	.....	.....	.....	.....	171,332*
103,236*	.....	.....	103,236*	103,236*	.....	.....	.....	.....	103,236*
.....	.....	1,650	1,650	1,650	.....	1,650	.....	.....	.....
.....	.....	.....	61,691	61,691	61,691	.....	.....	.....	.....
.....	.....	.....	5,248,797	5,248,797	5,248,797	.....	.....	.....	.....
.....	.....	.....	1,013	1,013	1,013	.....	.....	.....	.....
.....	.....	.....	180	180	180	.....	.....	.....	.....
\$27,506,836	\$9,071,803	\$196,953	\$17,940,097	\$55,024,789	\$55,024,789	\$2,796,602	\$12,442,665	\$1,501,862	\$8,418,860
.....	.....	.....	.....	.....	.....	.....	.....	.....	\$7,059,622

* Debitors Reduction.

EXHIBIT H
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — CAPITAL FUNDS
JUNE 30, 1953

	Cash	Receivable	Unsold Bonds	Interfund Accounts	Total		Interfund Accounts	Encumbrances	Unencumbered Appropriations	Unappropriated
	\$	\$								
Bond Funds:										
1927 Bernal Cut.....	3,533				3,533			1,139	300	2,094
1933 Sewers.....	21,007				21,007				17,032	3,955
1944 Sewers.....	3,086,865				3,086,865		\$ 826,180	234,894	1,370,328	455,463
1944 Juvenile Home Court and 1948 Juvenile Court and Detention Home.....	82,418				82,418		25,388	1,400	52,818	2,812
1947 Off-Street Parking.....	4,129,570		\$ 4,000,000		4,129,570		6,936	32,493	44,834	4,045,287
1947 Street Improvement.....	9,821,265		7,950,000		9,821,265		1,784,471	181,639	7,739,955	115,200
1947 Recreation.....	7,272,280	\$2,500,000	3,770,000		7,272,280		706,201	311,158	3,829,722	2,495,199
1948 Sewage Treatment.....	3,721,237		2,450,000		3,721,237		544,110	1,070,966	2,018,259	87,932
1948 Schools.....	23,894,237		7,990,000	\$250,000	23,894,237		445,557	8,922,973	16,491,877	33,830
1952 Firehouse.....	4,750,000		4,750,000		4,750,000				875,000	3,875,000
Real Property Funds:										
General City.....	545,352				545,352				14,572	530,780
San Francisco Unified School District.....	59,002				59,002			573	55,846	2,583
	\$20,926,766	\$7,300,000	\$30,910,000	\$250,000	\$59,386,766		\$4,338,843	\$10,757,235	\$32,710,553	\$11,580,135

EXHIBIT I
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — RETIREMENT AND OTHER PUBLIC TRUST FUNDS
JUNE 30, 1953

Cash	Receivables	Investments	Inter-fund Accounts	Total	Employees' Retirement System	Total	Interfund	Encumbrances	Unallocated Tax Appropriations	Fund Balances
\$2,712,696	\$863,635	\$126,319,204	\$587,349	\$130,512,884	Employees' Retirement System	\$130,512,884	\$15,327	\$17,394	\$1,698,346	\$128,781,817
7,287	2	.....	.....	7,287	Beardsley.....	.....	.....	.....	.....	7,287
1,200	.....	.....	.....	1,200	Brayton.....	2	.....	.....	.....	2
121	.....	94	.....	1,294	Brunetti.....	1,294	.....	.....	.....	1,294
157	.....	.....	.....	157	Fallon.....	121	.....	.....	.....	121
72,384	169	106,189	.....	121,676	Fuhrman—Library.....	121,676	.....	238	.....	121,408
1,100	.....	.....	.....	72,384	Fuhrman—Public.....	72,384	.....	.....	.....	72,384
.....	.....	50,990	.....	52,090	Fuhrman—Joint Custody.....	52,090	100	.....	.....	51,990
2,636	116	8,379	.....	11,131	Hertzman.....	11,131	.....	.....	.....	11,131
294	.....	.....	.....	294	Huntington.....	294	.....	.....	.....	294
1,066	.....	2,000	.....	3,066	Lewis.....	3,066	.....	.....	.....	3,066
7,157	.....	.....	.....	7,157	Magnin.....	157	.....	.....	.....	157
7,157	45	2,072	.....	9,276	Martinez.....	9,276	.....	.....	.....	9,276
9,134	5	5,000	.....	7,483	Morales.....	7,483	.....	.....	.....	7,483
638	22	.....	.....	9,134	Nelson.....	9,134	.....	.....	.....	9,134
6	.....	979	.....	1,639	Olsen.....	1,639	.....	.....	.....	1,639
2,019	469	45,000	.....	47,488	Phelan—Library.....	6	.....	.....	.....	6
3,401	66	9,000	.....	14,467	Robinson.....	47,488	.....	.....	.....	47,488
1,272	.....	.....	.....	14,467	Sharp.....	14,467	.....	.....	.....	14,467
10,176	.....	.....	.....	15,176	Schick.....	15,176	.....	.....	.....	15,176
61,875	417	5,000	.....	62,292	Scribner.....	62,292	.....	.....	.....	62,292
61	.....	150,000	.....	212,292	Strubing.....	212,292	3,610	.....	.....	208,682
7,251	156	15,000	.....	5,072	Sutro.....	5,072	.....	.....	.....	5,072
1,000	.....	.....	.....	22,407	Winkel.....	22,407	.....	.....	.....	22,407
1,000	.....	.....	.....	1,000	Wilbert.....	1,000	.....	.....	.....	1,000
243,558	.....	.....	.....	243,558	de Young Museum Art Trust.....	3,150	.....	.....	.....	3,150
2,028	.....	.....	.....	2,028	Infantile Paralysis.....	2,028	957	.....	.....	2,028
2,954	.....	.....	.....	2,954	Laguna Honda Work Shop.....	2,954	.....	.....	.....	2,954
49	.....	.....	.....	49	Leech, E. T.....	49	.....	.....	.....	49
365	.....	.....	.....	365	Musicians' Club.....	365	.....	.....	.....	365
1,809	104	15,670	.....	17,583	P.P.T.E. Trust.....	17,583	.....	.....	.....	17,583
6,117	.....	.....	.....	6,117	Pan American Society.....	226	.....	.....	.....	151
195	.....	.....	.....	195	Pan American Society.....	6,117	.....	3,952	.....	2,165
220	.....	.....	.....	220	San Francisco Hospital—Children's Ward.....	195	.....	.....	.....	195
111	.....	.....	.....	111	San Francisco Hospital—Hospitality House.....	220	.....	.....	.....	220
110	.....	.....	.....	110	San Francisco Hospital—Overnight Housing.....	111	.....	.....	.....	111
192	.....	.....	.....	192	Servicemen's Overights Housing.....	110	.....	.....	.....	110
26,300	.....	.....	.....	26,300	Social Service.....	110	.....	.....	.....	110
410,376	.....	.....	.....	436,796	Special Anecdotal Book Fund.....	436,796	269,291	59,963	.....	107,342
1,030	.....	.....	.....	1,030	State Highway.....	1,030	.....	.....	.....	1,030
30	.....	.....	.....	30	Veterans' Education—School.....	30	.....	.....	.....	30
\$3,631,113	\$891,515	\$126,739,577	\$587,349	\$131,849,554		\$131,849,554	\$285,675	\$85,232	\$1,698,346	\$129,780,301

EXHIBIT J
CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
— AND —
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS — PRIVATE TRUST FUNDS
JUNE 30, 1953

Cash		Total	Interfund Accounts	Encum- brances	Fund Balances
\$ 962	Absent Creditors	\$ 962	.....	.....	\$ 962
25,767	Absent Heirs	25,767	.....	.....	25,767
44,065	Adult Probation Officers' Deposit	44,065	.....	.....	44,065
938	Adult Probation Officers' Clearing Account	938	.....	.....	938
18,723	Coroner's Unclaimed Money	18,723	.....	.....	18,723
74,115	County Clerk Bail	74,115	.....	.....	74,115
361,170	County Clerk Special	361,170	.....	.....	361,170
	County Clerk Special—State Highway Commission	483,624	.....	.....	483,624
483,624	de Young Museum	10,789	.....	.....	10,789
10,789	Duplicate Taxes	18,749	.....	.....	18,749
18,749	Electrical Deposits	25,608	.....	.....	25,608
25,608	Jail Stores Deposits	9,761	\$150	\$ 28	9,583
9,761	Juvenile Court Deposits	6,301	.....	.....	6,301
6,301	California Palace of the Legion of Honor	1,048	132	.....	916
1,048	Library Card Deposits	485	.....	.....	485
485	Municipal Court Bail	137,366	.....	.....	137,366
137,366	Municipal Court Special	29,271	.....	.....	29,271
29,271	Municipal Court Suspense	1,209	.....	.....	1,209
1,209	Police Department Deposits	625	.....	.....	625
625	Realty Deposits	45,453	.....	.....	45,453
45,453	School Teachers' Sabbatical Leave	9,440	.....	.....	9,440
9,440	Sheriff's Inmate Welfare Fund	1,437	.....	631	806
1,437	Sheriff's Trust	82,754	.....	.....	82,754
82,754	Special Badge	395	.....	.....	395
395	Street Improvement	465	.....	.....	465
465	Street Improvement—Ordinance 1934	912	.....	.....	912
912	Sunset Tunnel Assessment Refund	10,148	.....	.....	10,148
10,148	Traffic Court Suspense	23,029	.....	.....	23,029
23,029	Twin Peaks Tunnel Refund	18,779	.....	.....	18,779
18,779	War Bonds	53,161	.....	.....	53,161
53,161	Withholding Tax—General	730,406	.....	.....	730,406
730,406	Withholding Tax—S. F. Unified School District	353,699	.....	.....	353,699
353,699	Withholding Tax—Municipal Railway	213,512	.....	.....	213,512
213,512	F.I.C.A. Taxes—Municipal Railway	24,825	.....	.....	24,825
24,825	F.I.C.A. Taxes—Redevelopment Agency	314	.....	.....	314
314	California Unemployment Insurance Taxes—Redevelopment Agency	119	119
119					
<u>\$2,819,424</u>		<u>\$2,819,424</u>	<u>\$282</u>	<u>\$659</u>	<u>\$2,818,483</u>

JUNE 30, 1953

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EXHIBIT L
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
RECONCILIATION OF PROPRIETARY SURPLUS WITH UNAPPROPRIATED
BALANCE OF FUNDS, JUNE 30, 1953

Proprietary surplus:

Municipal Railway of San Francisco.....	\$ 2,993,368	
Water Department.....	50,952,198	
Hetch Hetchy Water Supply and Power Project.....	46,555,327	
Airport Department.....	32,964,384	
Public Utilities Commission.....	<u>2,136,567</u>	\$135,601,844

Add:

Proprietary liabilities, reserves, etc. not recorded
in fund accounts:

Bonded indebtedness.....	\$112,437,000	
Accrued bond interest.....	<u>1,393,881</u>	
	\$113,830,881	
Less—Included in 1952-53 budget.....	<u>2,775,000</u>	111,055,881
Reserve for accident and compensation claims, etc.....		3,518,449
Sundry payables.....		1,423,741
Deferred Credits.....		<u>151,445</u>
		\$251,751,360

Deduct:

Fund reserves not recorded in proprietary accounts:

For pending appropriations.....	\$ 220,000
For unencumbered appropriations.....	9,160,150
For encumbrances (additional).....	964,285
For interdepartmental work orders, etc.....	<u>64,050</u>

Proprietary assets not recorded in fund accounts:

Fixed assets.....	220,522,672	
Deferred charges.....	<u>11,031,187</u>	
Sundry receivables.....	134,944	
Revolving funds.....	<u>52,650</u>	242,149,938

Unappropriated balance of funds, per listing of individual fund balance sheets (Exhibit M).....	<u>\$ 9,601,422</u>
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EXHIBIT M
CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS
JUNE 30, 1953

	Cash	Receivables	Other Resources	Interfund Accounts	Total		Total	Encumbrances	Reserves	Interfund Accounts	Deferred Credits	Unnumbered Accounts	Unappropriated
Hetch Hetchy:													
Operating.....	\$ 948,662	\$ 234,113		\$ 428,710	\$ 1,611,485		\$ 1,611,485	\$ 147,363	\$ 220,000	\$ 74,098		\$ 690,055	\$ 479,969
Bond Interest and Redemption.....	1,100,000				1,100,000		1,100,000						
1932 Bonds.....	30,774				30,774								30,774
1947 Water Bonds.....	1,857,009	1,700,000			3,557,009		3,557,009	1,282,583		1,511,500		584,623	178,303
1949 Cherry Valley Dam Bonds.....	8,876,070				8,876,070		8,876,070	1,147,027		117,900		582,912	7,028,231
	\$12,812,515	\$1,934,113			\$15,175,338		\$15,175,338	\$2,576,973	\$1,320,000	\$1,703,498		\$1,857,590	\$7,717,277
Water Department:													
Operating.....	\$ 4,140,777	\$ 931,937		\$1,495,085	\$ 6,567,799		\$ 6,567,799	\$ 1,380,586	\$ 52,346	\$1,236,621		\$3,740,726	\$ 157,520
Bond Interest and Redemption.....	1,675,000				1,675,000		1,675,000		1,675,000				
1942 Water Works Bonds.....	332,757				332,757		332,757	328,351		4,406			
Real Property.....	14,733				14,733		14,733	360		50		14,323	
	\$ 6,163,267	\$ 931,937		\$1,495,085	\$ 8,590,289		\$ 8,590,289	\$ 1,709,297	\$1,727,346	\$1,241,077		\$3,755,049	\$ 157,520
Municipal Railway:													
Operating.....	\$ 1,678,151	\$ 54,107		\$ 62,032	\$ 1,794,290		\$ 1,794,290	\$ 147,612	\$ 355	\$ 307,007		\$ 272,938	\$1,066,358
1947 Municipal Railway Rehabilitation.....	421,979				421,979		421,979	52,235		59,236		310,508	
Refinancing.....	4,537				4,537		4,537						4,537
	\$ 2,104,667	\$ 54,107		\$ 62,032	\$ 2,220,806		\$ 2,220,806	\$ 199,847	\$ 355	\$ 366,243		\$ 583,466	\$1,070,895
Airport:													
Operating.....	\$ 275,091	\$ 255,605		\$ 7,890	\$ 538,586		\$ 538,586	\$ 7,966	\$ 22,454	\$ 244,375		\$ 6,692	\$ 257,099
Special Aviation.....	26,209	1,803			28,103		28,103				\$1,803		26,300
1945 Airport Bonds.....	1,243,047				1,243,047		1,243,047	737,889		9,600		569,184	
1949 Airport Bonds.....	2,053,217				2,053,217		2,053,217	240		11,500		2,253,486	
Federal Airport Project.....	5,351,813				5,351,813		5,351,813	5,096,790		321,886		82,640	372,331
	\$ 8,952,377	\$ 257,408		\$518,834	\$ 9,208,585		\$ 9,208,585	\$ 5,484,885	\$ 22,454	\$ 387,361	\$1,803	\$2,912,002	\$ 655,730
Public Utilities Commission:													
Operating.....	\$ 179,592	\$ 4,960		\$ 481,740	\$ 666,292		\$ 666,292	\$ 31,224	\$ 4,960	\$ 578,065		\$ 52,043	
	\$30,213,418	\$3,182,525		\$518,834	\$37,594,780		\$37,594,780	\$3,075,115	\$4,476,244	\$1,803	\$9,160,130	\$9,601,422	



San Francisco Water Department
AND
HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1953



Touche, Niven, Bailey & Smart

Certified Public Accountants

100 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

September 29, 1953

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

We have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1953, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as referred to in the following paragraph.

Our engagement did not contemplate the application of normal audit procedures with respect to cash deposited with the Treasurer and with respect to bonded debt at June 30, 1953. We obtained confirmation from the Controller of the City and County of San Francisco of cash deposited with the Treasurer and of bonded debt at June 30, 1953, and applied other audit procedures in support of these accounts.

This report, the program of examination, and our working papers on this engagement have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, subject to the limitations on the scope of our examination of cash deposited with the Treasurer and of bonded debt, as set forth in the second preceding paragraph, the accompanying combining balance sheet and combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco at June 30, 1953, and the results of their operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

TOUCHE, NIVEN, BAILEY & SMART
Certified Public Accountants.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET
June 30, 1953

ASSETS	Combined	Eliminations	Water Department	Hetch Hetchy Water Supply and Power Project
PROPERTY, PLANT AND EQUIPMENT (Note A):				
Properties in service (including \$5,958,543 water rights and other intangible properties).....	\$213,256,899		\$92,296,088	\$120,960,811
Properties not in service.....	819,585		350,845	468,740
	214,076,484		92,646,933	121,429,551
Less accumulated depreciation.....	61,272,796		30,919,499	30,353,297
	152,803,688		61,727,434	91,076,254
Construction in progress.....	3,439,661		1,542,688	1,896,973
TOTAL PROPERTY, PLANT, AND EQUIPMENT.....	156,243,349		63,270,122	92,973,227
CASH:				
Cash deposited with Treasurer.....	19,585,755		6,137,812	13,447,943
Revolving funds.....	34,000		30,000	4,000
Cash in transit.....	3,399			3,399
TOTAL CASH.....	19,623,154		6,167,812	13,455,342
ACCOUNTS RECEIVABLE:				
Consumer's accounts (Note B).....	1,222,261		1,004,273	217,988
Dues from bond purchaser (Note C).....	1,700,000			1,700,000
Miscellaneous accounts.....	142,029		129,303	12,726
	3,064,290		1,133,576	1,930,714
Less allowance for doubtful accounts.....	120,619		120,619	
TOTAL ACCOUNTS RECEIVABLE.....	2,943,671		1,012,957	1,930,714
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments.....	174,576	\$54,878	3,652	225,802
General departments and funds.....	182		182	
TOTAL DUE FROM CITY AND COUNTY OF SAN FRANCISCO:.....	174,758	54,878	3,834	225,802
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies.....	575,037		529,315	45,722
Deferred maintenance and development costs.....	107,927		42,185	65,742
Deposits and miscellaneous accounts.....	53,394		51,934	1,460
TOTAL DEFERRED CHARGES AND OTHER ASSETS.....	736,358		623,434	112,924
	\$179,721,290	\$54,878	\$71,078,159	\$108,698,009

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET
June 30, 1933

LIABILITIES	Combined	Elimina- tions	Water Department	Hetch Hetchy Water Supply and Power Project
BONDED DEBT (Note C):				
Maturing within one year.....	\$ 5,101,000	.....	\$ 1,557,000	\$ 3,544,000
Maturing after June 30, 1954.....	71,305,000	.....	17,000,000	54,305,000
TOTAL BONDED DEBT.....	76,406,000	.....	18,557,000	57,849,000
BONDS SOLD BUT NOT ISSUED (Note C).....	1,700,000	.....	.....	1,700,000
ACCRUED BOND INTEREST.....	1,236,964	.....	406,857	830,107
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:				
Matured bonds and interest coupons not presented for payment.....	137,041	.....	43,127	93,914
Warrants outstanding.....	415,990	.....	167,351	248,639
Accounts payable.....	254,832	.....	224,980	29,852
Income taxes and other accounts withheld from employees.....	56,942	.....	34,067	22,875
Retained funds under contracts.....	194,125	.....	93,253	100,872
Consumers' deposits and construction advances.....	249,473	.....	249,473	.....
Rent accrued under Raker Act.....	15,000	.....	.....	15,000
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES.....	1,323,403	.....	812,251	511,152
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments.....	29,348	\$54,878	81,524	2,702
General departments and funds.....	1,246,572	.....	29,468	1,217,104
TOTAL DUE TO CITY AND COUNTY OF SAN FRANCISCO.....	1,275,920	54,878	110,992	1,219,806
RESERVES:				
Workmen's compensation claims and other costs (Note D).....	188,830	.....	168,072	20,758
Other.....	70,789	.....	70,789	.....
TOTAL RESERVES.....	259,619	.....	238,861	20,758
UNAMORTIZED BOND PREMIUM.....	11,859	.....	.....	11,859
SURPLUS (Investment of City and County of San Francisco).....	97,507,525	.....	50,952,198	46,555,327
COMMITMENTS AND CONTINGENT LIABILITIES (Notes B and D):				
Commitments under contracts and purchase orders.....	\$4,010,000	.....	.....	.....
Less deferred charges for materials, supplies, and construction costs.....	4,010,000	.....	.....	.....
	<u>\$179,721,290</u>	<u>\$54,878</u>	<u>\$71,078,159</u>	<u>\$108,698,009</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING STATEMENT OF SURPLUS

Year Ended June 30, 1953

	Combined	Water Department	Hetch Hetchy Water Supply and Power Project
BALANCE AT JULY 1, 1952.....	\$90,235,121	\$47,853,294	\$42,381,827
ADDITIONS:			
Excess of revenues over expenses.....	5,075,085	3,246,418	1,828,667
Advances from federal government for Cherry Valley Reservoir project (Note A).....	2,098,140	.....	2,098,140
Plant and equipment acquired without cost to the department.....	99,179	99,179	.....
TOTAL ADDITIONS.....	7,272,404	3,345,597	3,926,807
	97,507,525	51,198,891	46,308,634
INTERDEPARTMENTAL TRANSFERS (Charges* or Credits):			
For cost of properties placed in service with Water Department (Paid from proceeds of 1947 Hetch Hetchy Water Bonds).....	.....	159,130	159,130*
For portion of bond redemption and interest on 1947 Hetch Hetchy Water Bonds applicable to properties in service with Water Department:			
Bond redemption.....	.....	403,931*	403,931
Interest.....	.....	1,892*	1,892
TOTAL INTERDEPARTMENTAL TRANSFERS.....	.....	246,693*	246,693
BALANCE AT JUNE 30, 1953.....	\$97,507,525	\$50,952,198	\$46,555,327

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 1953

	Combined	Eliminations	Water Department	Hetch Hetchy Water Supply and Power Project
OPERATING REVENUES:				
Sales of water and services.....	\$11,804,318	\$3,545,590	\$11,804,318	\$3,545,590
Sales of electrical energy.....	4,617,981			4,617,981
TOTAL OPERATING REVENUES.....	16,422,299	3,545,590	11,804,318	8,163,571
OPERATING EXPENSES:				
Production expenses.....	439,975			439,975
Stand-by charge and purchases of water.....		3,545,590	3,545,590	
Purchases of electrical energy.....	776,338			776,338
Source of water supply.....	362,305		362,305	
Pumping.....	360,076		360,076	
Purification.....	142,130		142,130	
Transmission and distribution of water.....	823,769		823,769	
Transmission and distribution of power.....	1,282,305			1,282,305
Commercial expenses.....	561,878		561,878	
Administrative and general expenses.....	1,450,789		1,049,086	401,703
Provision for doubtful accounts.....	65,696		65,696	
	6,265,261	3,545,590	6,910,530	2,900,321
Depreciation.....	2,681,084		970,779	1,710,305
TOTAL OPERATING EXPENSES.....	8,946,345	3,545,590	7,881,309	4,610,626
	7,475,954		3,923,009	3,552,945
OTHER REVENUES:				
Rentals received, including sales of crops.....	356,723		331,315	25,408
Interest earned.....	16,852		16,852	
Miscellaneous.....	73,770		33,863	39,907
TOTAL OTHER REVENUES.....	447,345		382,030	65,315
	7,923,299		4,305,039	3,618,260
OTHER EXPENSES:				
Interest on bonded debt.....	2,773,322		986,083	1,787,239
Agricultural division and crop expense.....	65,299		65,299	
Miscellaneous.....	9,593		7,239	2,354
TOTAL OTHER EXPENSES.....	2,848,214		1,058,621	1,789,593
EXCESS OF REVENUES OVER EXPENSES.....	\$ 5,075,085		\$ 3,246,418	\$1,828,667

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 1953

NOTE A—Property, Plant, and Equipment.

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utilities Commission is to make an appraisal of the properties and a redetermination of annual depreciation every five years. The initial appraisal made in accordance with this Charter provision applied to the fiscal year ended June 30, 1938, and subsequent appraisals and redeterminations of depreciation have been made for fiscal years ended in 1943 and 1948. Findings of the Commission, or representatives of the utilities audit staff of the Controller's office designated by the Commission to perform these appraisals and redeterminations, are recorded in the property and accumulated depreciation accounts as of June 30, 1953. Additions to property accounts subsequent to June 30, 1948, have been recorded at cost, and annual depreciation since that date has been adjusted to give effect to redetermined depreciation rates. The carrying amount of the properties and the accumulated depreciation at June 30, 1953, are subject to further review and adjustment by the Public Utilities Commission in 1953, and every five years thereafter so long as Section 128 of the Charter is effective.

Total additions to combined properties in service during the year ended June 30, 1953, amounted to \$9,388,178. A summary of the major additions follows:

Water Department:

Sutro Reservoir and supply main.....	\$1,555,981
Installation of water mains and cross connections	1,163,493
Land and rights of way.....	319,347
Other.....	490,571

Total Water Department.....\$3,529,392

Hetchy Hetchy Water Supply and Power Project:

San Joaquin Pipeline No. 2, Section A.....	\$4,009,185
Completed projects at Cherry Valley Reservoir.....	1,325,257
Access roads	348,596
Other.....	175,748

Total Hetch Hetchy Water Supply
and Power Project.....\$5,858,786

Total additions.....\$9,388,178

A summary of the properties in service and properties not in service, and related accumulated depreciation at June 30, 1953, follows:

Properties in service:

Water Department:

	Properties	Accumulated Depreciation
Water rights and other intangible properties	\$ 3,222,913	
Land and rights of way.....	14,098,290	
Buildings, structures, and grounds.....	1,250,500	\$ 742,825
Source of water supply	30,420,471	7,619,943
Pumping station equipment	820,648	479,994
Purification system	237,725	84,855
Transmission and distribution system	40,705,917	21,179,299
General equipment	269,165	156,865
Automotive equipment	384,643	236,634
Undistributed interest during construction	885,816	279,326
Total Water Department	\$ 92,296,088	\$30,779,741

Hetch Hetchy Water Supply and Power Project:

	Properties	Accumulated Depreciation
Water supply properties:		
Water rights and other intangible properties.....	\$ 2,735,630	
Land and rights of way.....	2,653,150	\$ 80,545
Buildings, structures, and grounds.....	572,725	109,607
Source of water supply.....	101,406,122	22,793,846
Purification system.....	37,314	23,302
General equipment.....	461,032	206,714
Total water supply properties.....	\$107,865,973	\$23,214,014
Power properties:		
Land and rights of way.....	\$ 143,543	
Buildings, structures, and grounds.....	1,863,044	\$ 976,303
Hydraulic production plant.....	8,222,565	4,040,512
Transmission system.....	2,664,538	2,026,978
General equipment.....	201,148	65,320
Total power properties.....	\$ 13,094,838	\$ 7,109,113
Total Hetch Hetchy Water Supply and Power Project	\$120,960,811	\$30,323,127
Total properties in service.....	\$213,256,899	\$61,102,868
Properties not in service:		
Water Department	\$ 350,845	\$ 139,758
Hetch Hetchy Water Supply and Power Project	468,740	30,170
Total properties not in service.....	819,585	169,928
	<u>\$214,076,484</u>	<u>\$61,272,796</u>

A summary of construction in progress at June 30, 1953, follows:

Water Department:

Lake Merced pump station.....	\$1,059,265
Guadalupe by-pass.....	133,201
Summit Reservoir.....	65,817
Sunset Supply Line.....	37,762
Mt. Davidson pump station.....	36,627
Fluoride treatment plants.....	26,808
Other.....	183,208
Total Water Department.....	\$1,542,688

Hetch Hetchy Water Supply and Power Project:

Cherry Valley Reservoir.....	\$1,180,349
Relining San Joaquin Pipeline No. 1.....	310,342
Sunset Supply Line.....	184,745
Alameda Creek siphon.....	100,076
Reconstruction of Moccasin penstock anchors.....	13,481
Other.....	107,980
Total Hetch Hetchy Water Supply and Power Project	\$1,896,973
Total construction in progress.....	<u>\$3,439,661</u>

Major construction projects in progress at June 30, 1953, have estimated total costs of \$23,000,000. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$18,000,000 at that date.

The costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,400,000. A portion of the funds necessary for construction is provided by the federal government under provisions of a contract, dated August 29, 1949, between the federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.

The funds from the federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000 of the funds to be received from the federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1953, the federal government had paid \$6,903,140 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000 of which \$7,469,900 was appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

NOTE B — Accounts Receivable.

Revenues for water and power services furnished to consumers are taken into income when they are billed. In general, major industrial consumers of water and consumers of electric energy are billed each month, and residential and small industrial consumers of water are billed bi-monthly.

At June 30, 1953, the Water Department had billed certain of its consumers additional amounts aggregating \$165,408 for water furnished in the period generally from November, 1950, to June, 1953, following a legal opinion of the City Attorney that contracts with these consumers, providing for delivery of water at discounts or free of charge, were illegal and unenforceable. Losses which may be incurred in the collection of these billings have been provided for in the accompanying financial statements. Certain of the consumers affected by these billings have filed claims against the City and County of San Francisco for damages, and a test case has been filed contesting the legality of the action taken by the City in cancelling such contracts. No provision has been made in the accompanying financial statements for damages, if any, resulting from these claims and the suit filed, which are being defended by the City Attorney.

NOTE C — Bonded Debt.

Unmatured bonded debt of the City and County of San Francisco applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project aggregates \$76,406,000 at June 30, 1953. The bonds have been issued upon the general faith and credit of the City and County of San Francisco in accordance with resolutions adopted by the Board of Supervisors following authorization by the electors. A summary of unmaturred bonded debt at June 30, 1953, follows:

Water Department:

Spring Valley — 1928, 4½%	\$18,000,000
Water Distribution — 1933, 4%	557,000
Total Water Department	\$18,557,000

Hetch Hetchy Water Supply and Power Project:

Water — 1910, 4½%	\$12,000,000
Hetch Hetchy Water — 1925, 5%	4,000,000
Hetch Hetchy — 1928, 4½%	15,000,000
Hetch Hetchy — 1932, 2¾% to 5¾%	3,500,000
Hetch Hetchy Dam — 1933, 4%	175,000
1947 Hetch Hetchy Water, Series A — 1948, 1¾% to 2½%	5,625,000
1947 Hetch Hetchy Water, Series B — 1948, 1½%	400,000
1947 Hetch Hetchy Water, Series C — 1949, 1¼%	1,450,000
1947 Hetch Hetchy Water, Series D — 1949, 1% to 6%	7,861,000
1947 Hetch Hetchy Water, Series E — 1950, 1¼% and 1½%	3,888,000
1949 Cherry Valley Dam, Series A — 1952, 1¼% and 1½%	950,000
1949 Cherry Valley Dam, Series B — 1952, 1½% and 1¾%	3,000,000
Total Hetch Hetchy Water Supply and Power Project	\$57,849,000
Total unmatured bonded debt	\$76,406,000

In general, the bonds mature serially at varying annual amounts through the fiscal year ended June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
1954	\$5,101,000
1955	5,102,000
1956	5,102,000
1957	4,858,000
1958	4,857,000

An additional \$1,700,000 of bonds were authorized and unissued at June 30, 1953, under the 1947 Hetch Hetchy Water issue. On June 29, 1953, a bid was accepted by resolution of the Board of Supervisors for the sale of these bonds, which were issued in August, 1953.

NOTE D — Contingent Liabilities.

Contingent liabilities as of June 30, 1953, are as follows:

As self-insurer generally against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against water contamination damage losses. The ultimate losses under these self-insured risks are indeterminable. Reserves aggregating \$188,830, at June 30, 1953, have been established to provide generally for workmen's compensation, public liability, and property damage claims and, in addition, to provide for vacations and sick leave of certain employees, the total liability for which is indeterminable.

Under retirement plan arrangements, authorized by the electors, payments of approximately \$282,000 were made in the year ended June 30, 1953, to the Employees' Retirement System to cover a portion of the cost of the plan for present services for that year. The remainder of the cost of the plan, including prior service pension costs, is paid jointly by the participating employees and the City and County of San Francisco. The portion of the total cost applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project is determined by consulting actuaries and is expressed as a percentage of the salaries and wages of participating employees.

NOTE E — General.

The accompanying financial statements include only those assets and liabilities of the City and County of San Francisco designated and recorded as employed in the operations of the Water Department and the Hetch Hetchy Water Supply and Power Project.

Under provisions of Section 122 of the Charter, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1953.

During the year ended June 30, 1953, water furnished to certain municipal departments without charge amounted to approximately \$700,000, computed by the Water Department at regular billing rates. This amount has been computed in token of compliance with Section 64 of the Charter which provides generally for an estimate of the amount of property and other taxes for which utilities would be liable if privately owned.

Municipal Railway of San Francisco



REPORT ON EXAMINATION

FOR THE YEAR ENDED

JUNE 30, 1953

L. H. Penney & Co.

Certified Public Accountants

San Francisco, California
September 28, 1953

Honorable H. D. Ross,
Controller, City and
County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the Municipal Railway of San Francisco listed below:

EXHIBIT A — Balance Sheet, June 30, 1953

Schedule A-1 — Summary of Road and Equipment for the Year Ended June 30, 1953

Schedule A-2 — Summary of Road and Equipment Depreciation for the Year Ended June 30, 1953

Schedule A-3 — Unmatured Bonded Debt, June 30, 1953

EXHIBIT B — Statement of Income for the Years Ended June 30, 1953 and 1952, and Comparison

EXHIBIT C — Statement of Surplus for the Year Ended June 30, 1953

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our report and working papers have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, the accompanying financial statements present fairly the financial position of the Municipal Railway of San Francisco at June 30, 1953, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the previous year.

Very truly yours,

L. H. PENNEY & CO.

OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1953 resulted in a profit of \$497,968.93 as compared with a loss of \$3,117,327.58 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1953 and 1952, is as follows.

	YEAR ENDED JUNE 30,		Increase (Decrease)
	1953	1952	
Operating income:			
Passenger revenue.....	\$23,328,179	\$18,083,097	\$5,245,082
Advertising, rents, etc.....	163,802	159,256	4,546
Total operating income.....	23,491,981	18,242,353	5,249,628
Operating expenses.....	22,850,967	21,038,451	1,812,516
Profit from operations.....	641,014 (	2,796,098)	3,437,112
Other income.....	154,072	24,243	129,829
Remainder.....	795,086 (	2,771,855)	3,566,941
Other expense.....	297,117	345,473 (	48,356)
Profit for the year.....	\$ 497,969	(\$ 3,117,328)	\$3,615,297

The increase in passenger revenue was primarily attributable to the increase in the basic cash fare from ten cents to fifteen cents, which increase became effective June 1, 1952. Statistical records compiled by the Railway indicate that cash fares at the fifteen cent rate were collected from 160,771,196 passengers during the year ended June 30, 1953 yielding approximately \$7,776,050 more revenue than would have been received from the previous ten cent fare. The foregoing increase in revenue was partially offset by a decrease of approximately \$2,592,840 in revenues because of a reduction, below the previous year, of 9.7% in the number of revenue passengers carried.

The following summary, taken from statistical records of the Railway, show the mileage traversed during the past two years by the various types of equipment.

Type of Equipment	—YEAR ENDED JUNE 30,—				Increase (Decrease) Mileage
	1953		1952		
	Mileage	Per Cent of Total	Mileage	Per Cent of Total	
Motor coaches.....	14,981,737	49.03	15,663,059	53.44	(681,322)
Trolley coaches.....	10,590,388	34.66	9,117,636	31.11	1,472,752
Electric street cars.....	4,147,560	13.58	3,937,841	13.43	209,719
Cable cars.....	834,209	2.73	592,066	2.02	242,143
Totals.....	30,553,894	100.00	29,310,602	100.00	1,243,292

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary.

Type of Equipment	—YEAR ENDED JUNE 30.—				Increase (Decrease) Hours
	1953		1952		
	Hours	Per Cent of Total	Hours	Per Cent of Total	
Motor coaches.....	1,592,132	45.45	1,665,372	49.49	(73,240)
Trolley coaches.....	1,304,922	37.25	1,145,876	34.05	159,046
Electric street cars.....	459,209	13.11	444,543	13.21	14,666
Cable cars.....	146,559	4.19	109,125	3.25	37,434
Totals.....	3,502,822	100.00	3,364,916	100.00	137,906

The conversion of several motor coach lines to trolley coach operation accounted in part for the decrease in motor coach mileage and hours operated. A substantial portion of the increase in the cable car mileage and hours operated resulted from a full year's operation of the properties acquired from California Street Cable Railway Company on January 7, 1952.

The overall increase in both miles traversed and hours operated is due primarily to the "Eight in Ten" court order which required the Railway to furnish eight hours work with pay to each operator taking out equipment. This required a change in the method of making runs and involved operation of trips during the day which were not considered necessary or profitable in the past.

Operating income and expenses are expressed in cents per mile traversed as follows:

	—CENTS PER MILE—		
	Year Ended June 30, 1953	June 30, 1952	Increase (Decrease)
Operating income:			
Passenger revenue.....	76.351	61.695	14.656
Advertising, rents, etc.....	.536	.543	(.007)
Total operating income.....	76.887	62.238	14.649
Operating expenses:			
Maintenance and repairs—			
Ways and structures.....	2.217	2.349	(.132)
Equipment.....	7.182	7.320	(.138)
Total maintenance and repairs.....	9.399	9.669	(.270)
Power.....	7.287	7.116	.171
Conducting transportation.....	36.963	33.951	3.012
General and miscellaneous.....	8.700	8.421	.279
Taxes.....	.566	.550	.016
	62.915	59.707	3.208
Provision for accident claims.....	5.726	6.018	(.292)
Provision for depreciation.....	6.148	6.053	.095
Total operating expense.....	74.789	71.778	3.011
Profit from operations.....	2.098	M-9.540	11.638

Operating income and expenses expressed in dollars per hour of operation as follows:

	DOLLARS PER HOUR		
	Year Ended June 30, 1953	June 30, 1952	Increase (Decrease)
Operating income:			
Passenger revenue.....	6.659	5.374	1.285
Advertising, rents, etc.....	.047	.047	.....
Total operating income.....	6.706	5.421	1.285
Operating expenses:			
Maintenance and repairs—			
Ways and structures.....	.193	.204	(.011)
Equipment.....	.627	.638	(.011)
Total maintenance and repairs.....	.820	.842	(.022)
Power.....	.636	.620	.016
Conducting transportation.....	3.224	2.957	.267
General and miscellaneous.....	.759	.733	.026
Taxes.....	.049	.048	.001
	5.488	5.200	.288
Provision for accident claims.....	.499	.524	(.025)
Provision for depreciation.....	.536	.528	.008
Total operating expense.....	6.523	6.252	.271
Profit from operations.....	.183	(.831)	1.014

The increase in operating expense for the year ended June 30, 1953 as compared with that of the previous year for each of the major expense classifications, segregated between pay roll and other costs, is as follows (cents omitted):

	Increase (Decrease) in Operating Expense		
	Total	Pay Roll	Other
Maintenance and repairs:			
Ways and structures.....	(\$ 11,028)	\$ 91,560	(\$102,588)
Equipment.....	48,648	28,365	20,283
	37,620	119,925	(82,305)
Power.....	140,990	23,306	117,684
Conducting transportation.....	1,342,441	1,373,916	(31,475)
General and miscellaneous.....	189,724	37,326	152,398
Taxes.....	11,715	.....	11,715
	1,722,490	1,554,473	168,017
Provision for accident claims.....	(14,213)	.....	( 14,213)
Provision for depreciation.....	104,239	.....	104,239
Increase in operating expense.....	\$1,812,516	\$1,554,473	\$258,043

The increase in pay roll costs was caused primarily by increases in rates of pay effective as of July 1, 1952. The rate of pay for platform men, whose wages are the major portion of the Railway's pay roll cost, were increased slightly more than 12% on July 1, 1952. The comparative rates for some of the principal pay roll classifications for the year under review and for the preceding year are as follows.

Classification	Per	Rates Effective	
		July 1, 1952	July 1, 1951
Platform men.....	Hour	\$ 1.835	\$1.636
Trackmen.....	Day	14.80	13.60
Shop mechanics.....	Day	15.98	14.96
Senior shop mechanics.....	Day	18.80	17.60
Automotive mechanics.....	Week	94.50	89.00
Automotive machinists.....	Week	99.50	94.00
Car cleaners and janitors.....	Month	230-280	220-270
Inspectors.....	Month	320-370	300-350
General clerks.....	Month	240-300	225-285

The increase in power expenses, other than pay roll costs, was due principally to replacement of cables in lines acquired from California Street Cable Railway Company on January 7, 1952, together with increased use of electric street cars.

BALANCE SHEET

The financial position of the Railway at June 30, 1953 is summarized and compared with the financial position at June 30, 1952, as follows.

	June 30,		(Increase) Decrease
	1953	1952	
Assets:			
Fixed capital (net book value).....	\$20,729,386.10	\$22,219,813.26	\$1,490,427.16
Cash.....	3,174,730.61	3,196,515.72	21,785.11
Accounts receivable.....	69,363.95	213,239.69	143,875.74
Deferred charges—			
Materials and supplies.....	782,535.44	795,431.91	12,896.47
Other items.....	70,717.48	46,917.03	(23,800.45)
Commitments.....	185,625.75	340,505.47	154,879.72
Total.....	\$25,012,359.33	\$26,812,423.08	\$1,800,063.75
Liabilities and Surplus:			
Bonded debt.....	\$17,044,200.00	\$18,570,000.00	\$1,525,800.00
Bond interest payable.....	112,593.75	124,292.50	11,698.75
Accounts payable, commitments, etc.....	1,593,015.86	2,015,494.87	422,479.01
Reserves.....	3,255,897.30	3,511,206.00	255,308.70
Deferred credits.....	13,284.09	15,757.70	2,473.61
Contributed surplus.....	8,340,917.62	8,349,767.62	8,850.00
Deficit from operations.....	(5,347,549.29)	(5,774,095.61)	(426,546.32)
Total.....	\$25,012,359.33	\$26,812,423.08	\$1,800,063.75

The decrease in cash at June 30, 1953, as compared with June 30, 1952, is shown by the following summary of funds provided and funds applied.

Funds applied:

Additions to fixed assets.....	\$ 452,073.23	
Redemption of bonded indebtedness.....	1,525,800.00	
Increase in deferred charges.....	23,800.45	
Decrease in accounts payable.....	267,599.29	
Decrease in bond interest payable.....	11,698.75	
Decrease in deferred credits.....	2,473.61	
Decrease in reserve for token liability.....	227.17	
Payment to emergency reserve fund.....	9,000.00	\$2,292,672.50

Less funds provided:

Net profit for year ended June 30, 1953.....	\$ 497,968.93	
Add charges to expense accounts not involving disbursements of cash—		
Provision for depreciation.....	\$1,878,593.34	
Addition to reserve for employees' compensation claims	5,000.00	1,883,593.34
		<u>\$2,381,562.27</u>

Deduct—

Decreases in reserves:

Materials and supplies obsolescence.....	\$ 35,000.00
Accident claims.....	260,081.53
Uncollectible accounts receivable.....	93.33
	<u>\$ 295,174.86</u>

Adjustment for prior year's operations.....	71,422.61	366,597.47
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Increase in funds due to operations.....	\$2,014,964.80	
Decrease in accounts receivable.....	143,969.07	
Decrease in material and supplies.....	47,896.47	
Net book value of fixed capital retired.....	63,907.05	
Donated equipment.....	150.00	2,270,887.39
Decrease in cash at June 30, 1953.....		<u>\$ 21,785.11</u>

ROAD AND EQUIPMENT—\$4,404,449.19

ESTIMATED DEPRECIATION TO DATE—\$23,753,233.24

The recorded value of the Railway's investment in fixed capital other than construction work in progress, at June 30, 1953, is set forth in the accompanying Schedule A-1, and the related depreciation at the same date in Schedule A-2.

A substantial portion of the fixed capital is recorded in the accounts at appraisal valuations as of various dates as determined by the Public Utilities Commission of the City and County of San Francisco. The amounts shown in the accompanying Schedule A-1 under the caption "Market Street Extension" are appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for the amount of \$150,000.00 and contributed to the Railway.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property subsequent to June 30, 1938, with the exception of those mentioned above, are recorded substantially at cost. Retirements have been entered at recorded valuations when obtainable, otherwise at estimated valuations prepared by engineers.

The fixed capital accounts include a substantial amount for properties not presently in operation, including approximately thirty-eight miles of track, representing approximately one-third of the total track owned. It appears desirable that an engineering survey be made to determine and segregate the net book value of all nonoperated property.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed capital in the year following that in which the asset is put into service and to charge income with a full year's provision in the year of retirement.

Additions to road and equipment during the year ended June 30, 1953 are as follows.

Ways and structures:

Reconstruction of tracks—

Geneva carhouse	\$ 75,172.26	
Powell Street cable line.....	196,567.34	
Other locations.....	15,033.51	\$286,773.11

Construction and repairs to offices and buildings—

Remodeling Geary Street offices.....	\$ 94,090.70	
Other.....	20,151.80	114,242.50

Additional construction costs incurred in connection with trolley coach overheads installed in previous year.....

47,243.20

Other.....		26,211.00
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Total Ways and Structures.....		<u>\$474,469.81</u>
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Equipment:

Spare equipment for unit assembly.....	\$ 24,046.72	
Furniture and office equipment.....	11,988.59	
Other	22,200.24	
Total Equipment		<u>\$ 58,235.55</u>

Power:

Construction of outer Mission substation.....	\$ 92,122.32	
Total.....		<u>\$624,827.68</u>

Recorded retirements are as follows:

Ways and structures:	Road and Equipment	Depreciation to Date of Retirement
Tracks, etc.:		
Folsom Street from Third Street to Precita Avenue, Precita Avenue from Folsom Street to Army Street, Army Street from Bryant Street to Potrero Avenue and Twenty-Sixth Street, Mission Street to Bryant Street	\$ 525,160.69	\$ 523,144.31
Valencia Street from McCoppin Street to Mission Street and Fourteenth Street from Mission Street to Valencia Street	289,050.03	288,249.08
Van Ness Avenue at Geary Street and Market Street at Eleventh Street	243,749.50	238,679.73
Turk Street from Market Street to Divisadero Street, Eddy Street from Market Street to Divisadero Street and Mason Street from Turk Street to Eddy Street.....	231,589.40	230,809.83
Clement Street	198,219.00	197,393.05
Third Street from Market Street to Channell Street	181,401.57	180,817.68
Cortland Avenue from Mission Street to Folsom Street	144,595.47	144,017.66
Powell Street Cable line	108,576.00	108,553.80
Potrero Avenue from Sixteenth Street and Army Street and Army Street from Third Street to Kansas Street	213,807.63	210,877.47
Broadway from Powell Street to Davis Street.....	110,830.00	109,748.20
Vallejo Street from Van Ness Avenue to Larkin Street, Larkin Street from Vallejo Street to Union Street, Union Street to Columbus Avenue and Powell Street from Broadway to Embarcadero	185,491.29	184,159.89
Other, including sundry buildings, tracks, etc.	169,304.78	135,223.58
Total ways and structures.....	\$2,601,775.36	\$2,551,674.28
Equipment:		
Seven motor coaches.....	\$ 86,090.28	\$ 85,229.37
Other.....	19,976.95	7,031.89
Total equipment.....	\$ 106,067.23	\$ 92,261.26
Total.....	\$2,707,842.59	\$2,643,935.54

Comments on other items on the balance sheet follow.

CASH—\$3,174,730.61

Cash at June 30, 1953 consisted of the following.

On deposit with the Treasurer of the City and County of San Francisco:

1947 Municipal Railway Rehabilitation bond fund	\$ 431,947.25
Operating Fund.....	2,720,371.06
Bond interest funds.....	1,675.00
Bond redemption fund.....	1,200.00
Bond fund—Market Street Refinancing Issue of 1947	4,537.30
Total on deposit with Treasurer.....	\$3,159,730.61
Revolving funds.....	15,000.00
Total cash.....	\$3,174,730.61

The Controller's audit staff examined the accounts of the Treasurer as of June 30, 1953. Our verification of cash on deposit was, therefore, limited to a review of the working papers prepared by the Controller's audit staff.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash on hand was counted or confirmations were obtained from custodians for amounts shown to be in their possession.

ACCOUNTS RECEIVABLE—\$53,295.19

Accounts receivable at June 30, 1953 were summarized as follows.

Post Office Department.....	\$18,750.00
Advertising Revenue.....	14,582.49
California State Harbor Commission.....	7,826.40
Charter services.....	8,496.59
Pole rentals.....	2,970.75
Other.....	668.96
Total.....	<u>\$53,295.19</u>

Requests for confirmation were mailed to various debtors with respect to balances included in the above summary; replies received were satisfactory. It appears that the amount of \$355.03 deducted for estimated uncollectibles is adequate to cover possible losses in collection of the accounts.

MATERIALS AND SUPPLIES—\$782,535.44

The amount shown under this caption is the aggregate book value of the inventories of materials and supplies, including \$26,034.44 for the value of metal tokens, as of June 30, 1953. This amount was determined by a tabulation of perpetual inventory records as of May 25, 1953, adjusted for subsequent receipts and issues as to June 30, 1953. It is understood that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts.

Metal tokens have not been used in public circulation since April, 1949, and in the absence of any future use, it appears that these have only a scrap metal value. It is not conclusively established, however, that the tokens have no future usefulness.

We have made tests of the quantities in the inventory by physical counts, and have tested the pricing and computations. Our tests indicated that the inventories are priced at average cost or, as to certain items reduced from cost in prior years, at estimated scrap value.

The inventory of materials, other than metal tokens, was reviewed with the employees responsible for its preparation to determine the estimated obsolescence included therein. We were informed that during the year the Railway had disposed of substantially all materials considered to be obsolete.

RESERVE FOR ACCIDENT CLAIMS—\$3,039,918.47

A summary of the changes in this reserve during the year ended June 30, 1953 is as follows.

Balance, July 1, 1952.....	\$3,300,000.00
Provisions for accidents.....	<u>1,749,613.40</u>
Total.....	\$5,049,613.40

Less:

Claims paid and miscellaneous expenses, net of recoveries from insurance carriers.....	\$1,549,250.06	
Services of City Attorney's office.....	104,870.00	
Claims department pay roll.....	131,123.60	
Cost of excess liability insurance coverage.....	<u>224,451.27</u>	2,009,694.93
Balance, June 30, 1953.....		<u>\$3,039,918.47</u>

RESERVE FOR EMPLOYERS' COMPENSATION CLAIMS—\$210,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1953 as furnished by the City and County of San Francisco Employee Retirement System.

DEFERRED CREDITS—\$13,284.09

Deferred credits at June 30, 1953 consists of unamortized bond premium, \$11,300.86, and of miscellaneous minor items, aggregating \$1,983.23, final disposition of which is being deferred to subsequent periods.

EXHIBIT A

LIABILITIES

NOTES: 1. See notes on Schedule A-1 and A-2 regarding carrying value of road and equipment and regarding Railway's depreciation policy.

SCHEDULE A-1
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1953

	—BALANCES, JUNE 30, 1952—			—BALANCES, JUNE 30, 1953—		
	Municipal Railway	Market Street Extension	Combined	Municipal Railway	Market Street Extension	Combined
WAY AND STRUCTURES:						
Right of way.....	\$ 159,732.33	\$ 61,610.00	\$ 221,342.33	\$ 159,732.33	\$ 53,610.00	\$ 206,342.33
Grading.....	637,575.60	49,171.00	686,746.60	637,575.60	274,171.00	911,746.60
Ballast.....	797,774.27	527,325.14	1,325,099.41	758,161.39	234,393.06	992,554.45
Ties.....	417,016.96	265,289.68	682,306.64	335,660.25	163,526.06	499,186.31
Rails, rail fastenings, and joints.....	255,181.60	175,346.02	430,527.62	243,180.17	80,755.37	323,935.54
Special track work.....	1,266,539.45	677,274.40	1,943,813.85	1,009,222.56	310,175.17	1,319,397.73
Underground construction.....	353,727.80	360,247.43	713,975.23	338,519.27	207,133.91	545,653.18
Interlocking apparatus.....	1,765,256.60	452,546.70	2,217,803.30	1,768,353.41	208,218.76	1,976,572.17
Paving and roadway floor.....	422,546.70	55,545.72	478,092.42	422,546.70	284,773.19	707,319.89
Roadway machinery and tools.....	1,800,666.42	875,720.94	2,676,387.36	1,691,311.54	361,164.76	2,052,476.30
Tunnels and subways.....	43,115.30	83,168.38	126,283.68	40,465.57	43,115.30	83,580.87
Bruges, trestles, and culverts.....	14,987.49	33,383.00	48,370.49	14,987.49	33,383.00	48,370.49
Crossings, fences, and signs.....	4,334.85	4,334.85	8,669.70	4,334.85	4,334.85	8,669.70
Signals and interlocking apparatus.....	48,201.38	48,201.38	96,402.76	49,377.29	1,711.00	51,088.29
Poles and fixtures.....	50,912.12	1,198.00	52,110.12	52,824.53	1,988.00	54,812.53
Underground conduits.....	913,369.00	771,360.36	1,684,729.36	922,233.22	710,240.00	1,632,473.22
Distribution system.....	203,262.28	212,240.00	415,502.28	161,042.28	212,240.00	373,282.28
Shops, carhouses, and garages.....	3,162,712.95	653,115.36	3,815,828.31	3,086,184.47	597,397.86	3,683,582.33
Stations, miscellaneous buildings, and structures.....	4,177,843.77	862,308.45	5,040,152.22	4,282,080.70	862,308.45	5,144,389.15
	167,245.11	34,845.00	202,090.11	171,671.27	34,845.00	206,516.27
TOTAL WAY AND STRUCTURES.....	\$18,051,199.85	\$7,017,402.83	\$25,068,602.68	\$18,000,681.00	\$4,940,616.13	\$22,941,297.13
EQUIPMENT:						
Electric street cars.....	\$ 2,120,584.26	\$ 2,120,584.26	\$ 4,241,168.52	\$ 2,139,421.96	\$ 154,978.00	\$ 2,294,400.96
Cable cars.....	536,794.00	154,978.00	691,772.00	526,982.33	154,978.00	681,960.33
Motor coaches.....	6,278,109.08	670,518.05	6,948,627.13	6,272,140.46	584,427.77	6,856,568.23
Trolley coaches.....	7,474,369.67	82,230.00	7,556,599.67	7,479,145.92	82,230.00	7,561,375.92
Car boxes.....	156,295.03	156,295.03	312,590.06	156,295.03	156,295.03	312,590.06
Electric equipment, electric.....	115,075.25	94,798.35	209,873.60	115,075.25	94,798.35	209,873.60
Electric equipment of street cars & trolley coaches.....	1,003,624.59	1,098,422.92	2,102,047.51	1,007,336.18	1,129,040.51	2,136,376.69
Shop equipment.....	487,457.99	412,024.00	899,481.99	491,276.69	412,024.00	903,300.69
Furniture and office equipment.....	162,477.07	78,107.79	240,584.86	171,671.27	78,107.79	250,779.06
Automotive and miscellaneous service equipment.....	208,064.02	6,821.53	214,885.55	218,786.40	6,821.53	225,607.93
TOTAL EQUIPMENT.....	\$18,435,637.50	\$1,614,555.95	\$20,050,193.45	\$18,473,896.10	\$1,538,465.67	\$20,012,361.77
POWER:						
Substation buildings.....	\$ 55,594.48	\$ 309,182.07	\$ 364,776.55	\$ 58,040.10	\$ 309,182.07	\$ 367,222.17
Power plant equipment, cable cars.....	211,256.00	150,706.00	361,962.00	211,256.00	150,706.00	361,962.00
Substation equipment.....	126,470.66	504,824.00	631,294.66	216,077.36	504,824.00	720,901.36
Transmission system.....		10,276.76	10,276.76		10,276.76	10,276.76
TOTAL POWER.....	\$ 393,251.14	\$ 974,988.83	\$ 1,368,239.97	\$ 485,373.46	\$ 974,988.83	\$ 1,460,362.29
FRANCHISE	\$ 428.00		\$ 428.00	\$ 428.00		\$ 428.00
TOTAL.....	\$36,880,516.49	\$9,066,947.61	\$45,947,464.10	\$27,007,842.59	\$36,960,378.56	\$64,008,221.15

(See Notes on following page)

SCHEDULE A-2
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1953

	BALANCES, JUNE 30, 1952—			BALANCES, JUNE 30, 1953—				
	Municipal Railway	Market Street Extension	Combined	Provision for Depreciation June 30, 1953	Retirements	Municipal Railway	Market Street Extension	Combined
WAY AND STRUCTURES:								
Grading.....	\$ 301,672.03	\$ 527,515.98	\$ 829,388.01	\$ 17,220.91	\$ 334,278.05	\$ 277,437.81	\$ 234,393.06	\$ 511,830.87
Ballast.....	30,286.14	265,286.08	295,572.22	5,609.36	100,292.17	282,366.99	129,503.12	411,870.11
Ties.....	197,198.51	175,342.14	372,540.65	4,301.68	100,922.56	186,276.99	89,486.35	275,763.34
Track latelines, and joints.....	832,570.69	677,201.74	1,509,772.43	17,016.22	490,491.85	785,971.53	310,735.17	1,096,706.70
Signal track work.....	243,380.62	359,502.72	602,883.34	14,620.29	211,390.13	198,579.59	42,018.36	240,597.95
Special track work.....	1,736,888.40	418,277.72	2,155,166.12	48,214.55	371,551.86	927,941.99	281,556.79	1,209,498.78
Underground construction.....	980,773.95	524,164.05	1,504,938.00	33,832.14	774,871.27	1,261,075.92	564,761.76	1,825,837.68
Track and roadway labor.....	1,307,739.68	84,104.37	1,391,844.05	1,394.75	.....	28,693.60	40,545.20	69,238.80
Paving.....	72,739.68	40,104.37	112,844.05	67,844.05	.....	29,974.98	14,987.49	44,962.47
Roadway machinery and tools.....	14,987.49	.....	14,987.49	652.72	.....	3,014.36	14,697.70	17,712.06
Tunnels and subways.....	2,925.99	14,153.35	17,079.34	1,087.79	.....	2,925.99	14,153.35	17,079.34
Brakes, trestles, and culverts.....	2,925.99	14,153.35	17,079.34	1,087.79	.....	2,925.99	14,153.35	17,079.34
Crossings, fences, and signs.....	8,068.72	1,741.00	9,809.72	721.81	.....	8,790.53	1,741.00	10,531.53
Signals and interlocking apparatus.....	18,766.24	702,022.54	720,788.78	4,305.47	58,327.87	239,759.10	666,389.44	906,148.54
Communication systems.....	21,662.60	19,901.14	41,563.74	6,498.30	103,344.26	169,712.25	273,056.51	442,768.76
Poles and fixtures.....	99,724.61	166,923.60	266,648.21	9,267.01	58,880.65	811,799.90	474,925.20	1,286,725.10
Underground conduits.....	738,835.59	508,503.35	1,247,338.94	98,267.01	1,089.57	1,283,913.36	723,403.88	2,007,317.24
Distribution system.....	1,192,545.08	714,949.43	1,907,494.51	106,312.00	.....	637,014.86	531,168.89	1,168,183.75
Shops, carhouses, and garages.....	57,758.89	32,829.55	90,588.44	6,235.33	.....	63,704.88	33,108.89	96,813.77
Stations, miscellaneous buildings and structures.....	.....	.....	.....	.....	\$2,531,674.28	\$8,233,707.91	\$4,041,332.58	\$12,275,040.49
TOTAL WAY AND STRUCTURES.								
	\$8,380,414.42	\$6,030,840.69	\$14,411,255.11	\$415,459.66		\$1,213,783.64		\$ 1,213,783.64
EQUIPMENT:								
Electric street cars.....	\$ 1,157,728.55	\$ 1,157,728.55	\$ 2,315,457.10	\$ 56,055.09		\$ 1,213,783.64		\$ 1,213,783.64
Cable cars.....	536,794.00	142,430.60	679,224.60	9,811.67	536,982.33	147,342.00	674,324.33	1,213,783.64
Motor coaches.....	3,674,717.06	4,531,727.42	8,206,444.48	782,335.83	95,048.63	4,445,840.47	575,523.01	5,021,363.48
Trolley coaches.....	1,750,934.84	72,293.31	1,823,228.15	499,895.64	.....	1,716,124.55	76,811.67	1,792,936.22
Spare boxes.....	33,087.41	33,087.41	66,174.82	9,666.71	.....	12,124.12	.....	12,124.12
Electric equipment of street cars and trolley coaches.....	108,388.44	112,215.12	220,603.56	1,538.24	.....	3,980.14	109,773.22	113,753.36
Shop equipment.....	622,549.96	87,147.91	709,697.87	22,497.28	.....	642,123.02	90,073.12	732,196.15
Furniture and office equipment.....	87,793.29	66,185.27	153,978.56	11,523.52	26.16	100,617.04	67,537.35	168,154.39
Automotive and miscellaneous service equipment.....	89,061.50	6,226.88	95,288.33	23,620.35	(9,916.73)	102,449.88	6,375.58	108,825.46
TOTAL EQUIPMENT.								
	\$7,550,338.72	\$1,531,288.68	\$9,081,627.40	\$1,445,013.06	\$9,261.26	\$8,967,755.12	\$1,466,664.08	\$10,434,399.20

(See Notes on following page.)

SCHEDULE A-1
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1953
(Concluded)

NOTES

1. Amounts shown under the caption "Market Street Railway" include only properties purchased from the Market Street Railway Company on September 29, 1944; additions to or replacements of Market Street Extension properties are included under the caption "Municipal Railway."
2. Properties acquired from California Street Cable Railway Company are included under the caption "Municipal Railway." The properties were acquired June 7, 1952 for a net book value of \$150,000.00 as follows.

Fixed capital accounts: estimated reproduction costs, as determined by the
Public Utilities Commission.....\$3,796,650.00

Depreciation accounts: estimated depreciation of reproduction cost to date of
acquisition 3,646,650.00

Net book value\$ 150,000.00

3. See comments in accompanying auditors' report regarding the valuation at which the foregoing accounts are carried in the Railway's accounts.

SCHEDULE A-2
MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1953
(Concluded)

NOTES

1. Depreciation applicable to additions to or replacements of Market Street Extension properties is included under the caption "Municipal Railway."
2. The accumulated depreciation in California Street Cable Railway properties, mentioned in Schedule A-1, is included under the caption "Municipal Railway."
3. It is the policy of the Railway to take a full year's depreciation in the year of retirement and no depreciation in the year in which the asset is put into service.

SCHEDULE A-3
MUNICIPAL RAILWAY OF SAN FRANCISCO
UNMATURED BONDED DEBT, JUNE 30, 1953

Issue	—MATURITIES—			Dates		Principal Amount Outstanding June 30, 1953	
	Interest Rate	Principal Amount Per Annum					
Market Street Railway Refinancing Issue of 1947 (dated May 1, 1948).....	¼%	\$650,000	May	1, 1954	.....	\$	650,000
Rehabilitation Issue of 1947:							
Series A (dated February 1, 1948).....	1¾%	433,000	February	1, 1954	\$ 433,000	.....
	2%	433,000	February	1, 1955-58	1,732,000	.....
	2½%	433,000	February	1, 1959-63	<u>2,165,000</u>	\$	4,330,000
Series B (dated August 1, 1948).....	1¾%	123,000	August	1, 1953-55	\$ 369,000	.....
	1¾%	123,000	August	1, 1956	123,000	.....
	1¾%	559,000	August	1, 1957-58	1,118,000	.....
	2%	559,000	August	1, 1959-60	1,118,000	.....
	2%	560,000	August	1, 1961-63	<u>1,680,000</u>		4,408,000
Series C (dated March 1, 1949).....	1½%	90,000	March	1, 1954-57	\$ 360,000	.....
	1½%	380,000	March	1, 1958	380,000	.....
	1½%	400,000	March	1, 1959-64	<u>2,400,000</u>		3,140,000
Series D (dated August 1, 1949).....	4%	105,000	August	1, 1953	\$ 105,000	.....
	1%	105,000	August	1, 1954-55	210,000	.....
	1¼%	105,000	August	1, 1956	105,000	.....
	1¼%	104,000	August	1, 1957-60	416,000	.....
	1½%	104,000	August	1, 1961-64	<u>416,000</u>		1,252,000
Series E (dated November 1, 1949).....	1%	39,000	November	1, 1953-54	\$ 78,000	.....
	1%	38,000	November	1, 1955-56	76,000	.....
	1¼%	38,000	November	1, 1957-61	190,000	.....
	1½%	38,000	November	1, 1962-64	<u>114,000</u>		458,000
Series F (dated September 1, 1950)	1¼%	110,000	September	1, 1953	\$ 110,000	.....
	1¼%	690,000	September	1, 1954	690,000	.....
	1%	690,000	September	1, 1955-56	<u>1,380,000</u>		2,180,000
Series G (dated March 1, 1952).....	1½%	25,000	March	1, 1954	\$ 25,000	.....
	1¼%	120,000	March	1, 1955-59	<u>600,000</u>		625,000
Total Rehabilitation Issue of 1947.....							<u>\$16,393,000</u>
TOTAL UNMATURED BONDED DEBT							<u>\$17,043,000</u>

EXHIBIT B
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1953 AND 1952, AND COMPARISON

	YEAR ENDED JUNE 30,		Increase (Decrease)
	1953	1952	
OPERATING INCOME:			
Passenger revenue.....	\$23,328,178.63	\$18,083,096.94	\$5,245,081.69
Advertising revenue.....	121,381.86	128,756.22 (	7,374.36)
Rents.....	16,710.17	10,322.98	6,387.19
Other.....	25,710.32	20,177.23	5,533.09
TOTAL OPERATING INCOME.....	\$23,491,980.98	\$18,242,353.37	\$5,249,627.61
OPERATING EXPENSES:			
Maintenance and repairs			
Ways and structures.....	\$ 677,349.81	\$ 688,378.12	(\$ 11,028.31)
Equipment.....	2,194,281.73	2,145,633.50	48,648.23
Total maintenance and repairs.....	\$ 2,871,631.54	\$ 2,834,011.62	\$ 37,619.92
Power.....	2,226,602.26	2,085,612.48	140,989.78
Conducting transportation.....	11,293,582.10	9,951,141.57	1,342,440.53
General and miscellaneous.....	2,658,078.92	2,468,354.83	189,724.09
Taxes.....	172,865.32	161,149.89	11,715.43
Total operating expense before provisions for accidents and depreciation.....	\$19,222,760.14	\$17,500,270.39	\$1,722,489.75
Provision for accident claims.....	1,749,613.40	1,763,826.33 (	14,212.93)
Provision for depreciation (Schedule A-2).....	1,878,593.34	\$ 1,774,354.44	104,238.90
TOTAL OPERATING EXPENSES.....	\$22,850,966.88	\$21,038,451.16	\$1,812,515.72
GAIN FROM OPERATIONS.....	\$ 641,014.10	(\$ 2,796,097.79)	\$3,437,111.89
OTHER EXPENSES:			
Interest on bonded debt.....	\$ 295,796.52	\$ 287,001.45	\$ 8,795.07
Adjustments of valuation of materials and supplies to estimated salvage or useful value.....	1,320.47	35,000.00 (	33,679.53)
Provision for estimated additional wages for prior years.....		23,471.67 (	23,471.67)
TOTAL OTHER EXPENSES.....	\$ 297,116.99	\$ 345,473.12	(\$ 48,356.13)
GROSS GAIN.....	\$ 343,897.11	(\$ 3,141,570.91)	\$3,485,468.02
OTHER INCOME:			
Interest on bank balances.....	\$ 20,090.61	\$ 15,226.91	\$ 4,863.70
Insurance recovery on coaches damaged by Twenty-fourth and Utah Division fire.....	83,607.25		\$ 83,607.25
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income.....	50,373.96	9,016.42	41,357.54
TOTAL OTHER INCOME.....	\$ 154,071.82	\$ 24,243.33	\$ 129,828.49
NET GAIN.....	\$ 497,968.93	(\$ 3,117,327.58)	\$3,615,296.51

EXHIBIT C
MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF SURPLUS FOR THE
YEAR ENDED JUNE 30, 1953

CONTRIBUTED SURPLUS:

Balance, July 1, 1952.....	\$8,349,767.62
Add donated equipment.....	150.00
	<u>\$8,349,917.62</u>
Deduct transfer of cash for amount due	
Emergency Reserve Fund set up	
June 30, 1952.....	9,000.00
BALANCE JUNE 30, 1953.....	<u><u>\$8,340,917.62</u></u>

DEFICIT FROM OPERATIONS:

Deficit, July 1, 1952.....	\$5,774,095.61
Add—	
Engineering costs incurred on	
abandoned rehabilitation projects.....	79,207.37
	<u>\$5,853,302.98</u>
Deduct —	
Profit from operations for the year ended	
June 30, 1953 (Exhibit B).....	\$497,968.93
Miscellaneous prior years payrolls.....	7,784.76
	505,753.69
DEFICIT, JUNE 30, 1953.....	<u><u>\$5,347,549.29</u></u>

San Francisco School Department

(A Unified School District)



REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1953

Lindquist, von Husen and Joyce

Certified Public Accountants

SAN FRANCISCO

October 30, 1953

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the books of account, records and transactions of the San Francisco Unified School District for the fiscal year ended June 30, 1953, and submit herewith the following statements:

EXHIBIT A—Proprietary Balance Sheet—June 30, 1953

EXHIBIT B—Statement of Current Surplus for the Fiscal Year Ended June 30, 1953

EXHIBIT C—Statement of Capital Surplus for the Fiscal Year Ended June 30, 1953

EXHIBIT D—Statement of Revenues and Expenditures for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT E—Details of Revenue for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT F—Details of Expenditures for the Fiscal Years Ended June 30, 1953 and 1952

EXHIBIT G—Funds Balance Sheet—June 30, 1953

EXHIBIT H—Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet—June 30, 1953

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenues and expenditures present fairly the financial position of the San Francisco Unified School District as at June 30, 1953, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, program and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

Yours very truly,

LINDQUIST, VON HUSEN and JOYCE
Certified Public Accountants

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1953 and 1952 (cents omitted):

	Year Ended June 30,		Increase (Decrease)
	1953	1952	
Revenues:			
Property taxes and penalties	\$19,697,127	\$19,057,395	\$ 639,732
State of California—			
School funds apportionment	8,427,501	7,781,133	646,368
Retirement subventions	737,547	682,629	54,918
Other revenues	1,907,773	1,351,082	556,691
Auxiliary (indirect) revenues	424,754	381,446	43,308
Total revenues	\$31,194,702	\$29,253,685	\$1,941,017
Operating expenses	30,618,619	28,048,166	2,570,453
	576,083	1,205,519	(629,436)
Net capital outlay from current funds	66,400	821,400	(755,000)
Excess of revenues over expenditures	\$ 509,683	\$ 384,119	\$ 125,564

Property taxes were verified by reference to the tax rates, the records of the controller and examination of the cash transfer vouchers from the controller's office.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance	(78,745)	(51,008)	(23,436)	(4,301)
\$95 per pupil	\$7,480,775	\$4,845,760	\$2,226,420	\$408,595
Physically handicapped	(967)	(813)	(154)	
Extra cost to school department (not over \$400 per pupil)	386,800	325,260	61,540	
Mentally retarded	(1,332)	(813)	(154)	
Not over \$150 per pupil	184,026	85,296	98,730	
School years maintained	(51)		(49)	(2)
\$1,000 per year	51,000		49,000	2,000
Evening schools	(5)		(5)	
\$4,000 per year	20,000		20,000	
Continuation school	(1)		(1)	
\$4,000 per year	4,000		4,000	
Transportation expense for exceptional children (total average daily attendance (183.41) times \$350—or actual, whichever is lower)	56,808	47,770	9,038	
Allowance based on growth in average daily attendance	244,092	196,471	28,886	18,735
Total	\$8,427,501	\$5,500,557	\$2,497,614	\$429,330

These revenues were verified by reference to the Principal Apportionment of the California State School Fund published by the State Superintendent of Public Instruction and to other data.

Following is a comparison of the average daily attendance:

	1952-1953	1951-1952
Elementary schools	53,111	51,008
High schools	23,310	23,436
Junior college	4,461	4,301
Total	80,882	78,745

We reviewed the procedures for compiling average daily attendance and tested the records of the Bureau of Research in the Board of Education Office and of certain schools and are satisfied that the average daily attendance figures are substantially correct.

BASIC DATA FOR STATE APPORTIONMENT FOR FISCAL YEAR 1953-54

The following is a summary of the basic data underlying the State apportionment for the fiscal year 1953-54. This summary is provided in order to place the audit of average daily attendance figures on a prospective rather than a retroactive basis.

	Total	Elementary Schools	High Schools	Junior College
Average daily attendance.....	80,882	53,111	23,310	4,461
Physically handicapped.....	980	866	114	
Mentally retarded.....	1,405	957	448	
School years maintained.....	44		42	2
Evening schools.....	5		5	
Continuation school.....	1		1	
Transportation expense for exceptional children.....	317	317		
Growth in average daily attendance.....	Note (1)			

Note (1): The growth in average daily attendance is divided into two periods, the first of which ends approximately at December 31, 1953 and the second at May 21, 1953 and, of course, cannot be computed until after such dates.

We reviewed the procedures for compiling the average daily attendance and tested the records of the Bureau of Research and of certain schools and satisfied ourselves that the average daily attendance figures are substantially correct.

Other revenues (\$1,907,772.47) were tested against various data and in our opinion are substantially correct. Details are shown in Exhibit E.

CHILD CARE CENTER:

As at June 30, 1953 there were 27 Child Care Centers in operation, serving approximately 1,074 children. During the fiscal year ended June 30, 1953 the combined centers had a total of child attendance hours as follows:

Nursery (under 5 years 9 months of age).....	1,605,034 hours
School age (5 years 9 months and over).....	487,137 hours
Total	2,092,171 hours

The basis of the State subvention was changed for the fiscal year ended June 30, 1953; therefore, there is no basis for a comparison of the total attendance hours with that of the prior year.

We reviewed the accounting records and procedures, and tested the income and expenditures to the extent we deemed appropriate.

Following is a comparative statement of income and expenditures for the fiscal years ended June 30, 1953 and 1952:

	Year Ended June 30,	
	1953	1952
Income:		
State apportionment.....	\$459,100.00	\$497,880.00
Fees from parents.....	293,787.03	278,437.84
Current district taxes.....	162,684.37	81,009.39
Miscellaneous income.....	95.86	40.97
Total income.....	\$915,667.26	\$857,368.20
Expenditures:		
Administration.....	\$ 54,173.19	\$ 47,578.47
Instruction.....	493,694.97	451,514.23
Auxiliary services.....	12,631.56	13,267.13
Operation.....	120,307.74	96,258.27
Maintenance.....	30,155.04	8,325.73
Fixed charges.....	4,555.25	3,547.70
Food service.....	170,987.72	158,694.25
Capital outlay.....	5,751.95	19.78
Total expenditures.....	\$892,257.42	\$779,205.56
Excess of income over expenditures.....	\$ 23,409.84	\$ 78,162.64
Deduct portion of State apportionment not earned (refunded in 1952-1953).....		4,189.63
Net income.....	\$ 23,409.84	\$ 73,973.01

COUNTY SERVICE FUND:

The income and expenditures of the County Service Fund, which we test checked, were as follows:

Income:	
Balance of funds from prior year.....	\$ 836.00
State apportionment.....	31,550.00
Total income.....	\$32,386.00
Expenditures.	
County superintendent of schools.....	\$ 2,400.00
Bureau of research.....	5,000.00
Total administrative.....	\$ 7,400.00
Curriculum services.....	\$14,986.00
Visual education.....	10,000.00
Total instructional.....	\$24,986.00
Total expenditures.....	\$32,386.00
Balance of fund.....	None

CAFETERIAS:

During the year the School District operated fifty cafeterias. We tested the income and expenses and balance sheet accounts to the extent we deemed appropriate. We also reviewed the internal audit procedures and audits performed by the administrative office of the School District during the current year and believe that their audit procedures are adequate.

Following is a comparative statement of the income and expenses for the fiscal years ending June 30, 1953 and 1952:

	Fiscal Year Ending June 30,	
	1953	1952
Income:		
Sales—cafeteria.....	\$ 925,464.80	\$ 868,086.23
Sales—mid-morning lunches.....	171,337.15	154,535.02
Federal grants.....	74,225.62	100,212.79
Total income.....	\$1,171,027.57	\$1,122,834.04
Expenses:		
Cost of food.....	\$ 740,234.26	\$ 725,050.64
Salaries.....	318,561.95	294,530.09
Student help meals.....	32,923.57	28,260.60
Supplies and expense.....	42,574.82	40,597.26
Central office expense.....	750.18	1,183.36
Repairs and replacements.....	144.15	142.88
Provision for sick leave and vacations.....	25,796.52	23,747.41
Total expenses.....	\$1,160,985.45	\$1,113,512.24
Net income.....	\$ 10,042.12	\$ 9,321.80

The net income of the cafeterias is held in trust for cafeteria operations and is not available for any other operations.

STUDENT BODY FUNDS:

The student body funds and all accounting records in support thereof are maintained at City College and schools and are internally audited at regular intervals. We reviewed the audit procedures and audits made by the administrative office during the current year and believe them to be adequate.

PROPRIETARY BALANCE SHEET

FIXED CAPITAL PROPERTIES:

Fixed capital properties are stated in the proprietary balance sheet at the amounts shown on the records of the Controller. We understand that these represent appraised values of 1920 plus subsequent additions at cost, except that property received at no cost is stated at appraised value.

Following is a summary of the net additions to fixed capital properties during the fiscal year ended June 30, 1953:

	Total	Land	Buildings and Improvements	Equipment
Additions per School District records:				
1948 bond fund.....	\$10,741,258.97	\$268,147.62	\$10,075,624.36	\$397,486.99
School current fund.....	822,897.85	123,684.30	240,484.12	458,729.43
Child Care Centers.....	5,808.60			5,808.60
Special accumulative building fund.....	25,746.18		25,746.18	
Real property fund.....	39,370.34	39,370.34		
	<u>\$11,635,081.94</u>	<u>\$431,202.26</u>	<u>\$10,341,854.66</u>	<u>\$862,025.02</u>
Less:				
Net reduction due to properties sold, exchanged or otherwise disposed of.....	\$ 472,777.58	\$354,614.57	\$ 36,455.00	\$ 81,708.01
Prior years capital outlays recorded in 1952-1953.....	10,508.57	4,595.91	5,235.97	676.69
Work in progress reclassified as a deferred charge.....	145,481.36		145,481.36	
Adjustments between classifications.....		12,341.89	16,080.33	(28,422.22)
Adjustments not taken up by Controller.....	3,085.98	.10		3,085.88
Adjustments not taken up by School District.....	(10,879.74)	(6,103.96)	(3,643.60)	(1,132.18)
	<u>620,973.75</u>	<u>365,448.51</u>	<u>199,609.06</u>	<u>55,916.18</u>
Net additions per Controller's records 1952-1953.....	<u>\$11,014,108.19</u>	<u>\$ 65,753.75</u>	<u>\$10,142,246.60</u>	<u>\$806,107.84</u>

We tested the additions from the School Current Fund, but we did not test the additions from the 1948 School Bond Fund because these are not school district bonds, but are general obligation bonds of the City and County. As such the expenditures therefrom are being examined by the auditors engaged by the Board of Supervisors, pursuant to Charter Section 68, to make the annual audit of the Controller's books.

CASH:

Cash in the various funds of the School District at June 30, 1953 as shown by the books of the Treasurer, was as follows:

Current funds:

School District.....	\$ 5,152,082.96	
Bonds matured—unredeemed.....	6,000.00	
Bond interest matured—unpaid.....	9,441.25	\$ 5,167,524.21

Capital funds:

1948 school bonds.....	\$12,857,114.04	
Real property.....	59,061.91	12,916,175.95

Trust funds:

Accumulative building fund.....	\$ 5,896.80	
Child Care Center.....	200,899.35	
Sabbatical leave (teachers).....	16,120.16	
Retirement (teachers).....	18,885.50	
Annuity deposits (teachers).....	11,599.16	
Federal withholding tax.....	45,119.00	
County service fund.....	8,865.00	
Veterans' education.....	30.20	
Cafeteria.....	261,067.35	
Will C. Steinbrunn bequest.....	10,175.57	578,658.09

Total cash deposited with the Treasurer.....		18,662,358.25
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Cash transfers outstanding.....	\$ 342,910.04	
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Revolving funds:

School District.....	\$ 3,000.00	
Cafeteria.....	1,550.00	
	347,460.04	

Advances to purchasing department.....	18,601.12	
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Hume Foundation Trust Fund (deposited with American Trust Co.)	238.00	366,299.16
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Total cash.....		\$19,028,657.41
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The cash on deposit with the Treasurer was reconciled to the Treasurer's cash balances as shown in the Report of Examination of the Office of the Treasurer, prepared by the General Audit Division, Office of the Controller, as at June 30, 1953.

ACCOUNTS RECEIVABLE:

A summary of the accounts receivable is set forth as follows:

Taxes and penalties:

Taxes—secured.....	\$162,692.28	
Taxes—unsecured.....	375,696.51	
	<u>538,388.79</u>	
Reserve for unsecured taxes.....	375,696.51	\$ 162,692.23

1948 school bonds (Note 1).....		4,800,000.00
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Other accounts receivable:

Tuition due from other counties.....	\$353,849.67	
Subventions for vocational training of veterans.....	169,343.26	
Federal subvention for aid to local education (Public Law 874)	99,993.82	

Cafeterias:

Federal grants.....	13,780.03	
Other.....	15,565.92	
Salary overpayments.....	8,936.59	
Other.....	<u>20,321.63</u>	681,790.92

Total.....		<u>\$5,644,483.20</u>
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Note 1: Represents a bid for the purchase of 1948 school bonds accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953, which bonds were issued in August, 1953.

Taxes unreserved for in the amount of \$162,692.28 represent the portion of taxes secured.

Tuition due from other counties consists of \$482.35 billed for prior years but not collected, and \$353,367.32 billed in July, 1953 for tuition for non-resident students at City College for the fiscal year 1952-1953.

Subventions for vocational training of veterans consists of bills rendered (\$47,786.61) plus an estimate (\$121,556.65) for instruction and supplies given in April, May, and June, 1953 and billed subsequently.

Federal subvention for aid to local education covers assistance given by the Federal government to those local agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed or live on Federal property (Public Law 874).

Federal grants for cafeterias represent billings for May and June, 1953, which were subsequently collected.

Salary overpayments of \$8,936.59 are not considered fully collectible for various reasons, such as death, etc.

Other accounts receivable in the sum of \$20,321.63 represent amounts due from various sources, rentals, use of school buildings, etc.

The amount of accounts receivable (\$681,790.92) exclusive of secured taxes (\$162,692.28) are taken into income in the year in which collected, and therefore are treated as a deferred credit in the balance sheet as at June 30, 1953.

Claims for fire damage as at June 30, 1953 in the amount of \$1,758.15 have been submitted and collected in the subsequent year. Of this amount \$295.00 is refundable to contractors.

INVENTORIES AND DEFERRED CHARGES:

Store inventory represents the cost of supplies and some equipment on hand at June 30, 1953 as shown by the records of the School District. Physical inventories were taken, priced and extended by employees of the School District at various dates at the different storage locations. The inventory at the principal storage warehouse, 1410 Harrison Street, San Francisco, California, was taken on March 31, 1953. The general ledger balance of the inventory was increased by \$2,844.64 to bring it into agreement with the physical inventory.

We were present at the count of the inventory, observed the procedures and test counted a substantial amount thereof and satisfied ourselves that the physical count was substantially correct. We also tested the pricing, extensions, and footings of the inventory to the extent we deemed appropriate and found them to be correct. The procedures for accounting for the detailed perpetual inventory by quantities and the general ledger stores account in dollars were reviewed and we satisfied ourselves that the inventory as shown at June 30, 1953 was correctly stated.

The following is a summary of the insurance in force at June 30, 1953:

Fire and extended coverage:	
School district property including contents.....	\$65,285,000
Automobiles: (Includes Driver Training Program cars)	
Bodily injury including non-ownership.....	\$200,000/500,000
Property damage.....	\$100,000
Fire and theft.....	Cash value
Collision —\$50.00 deductible (Driver Training only)	
Child Care Centers:	
Bodily injury.....	\$500,000/1,000,000
Property damage.....	\$1,000/10,000
Boiler.....	\$100,000/500,000
Blanket fidelity bond (each loss).....	\$25,000
Additional fidelity bond coverage:	
Superintendent of schools.....	\$25,000
Chief of the budget division.....	\$15,000
Chief of the division of accounts.....	\$6,000
Board of Education members (each).....	\$2,500
Valuable records.....	\$50,000
Rental income.....	\$348,000

The coverage in effect as shown above for fire and extended coverage is 90% of insurable value.

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims is estimated to be \$100,000.00. Also, workmen's compensation insurance is not carried. The Retirement Board of the City and County of San Francisco advised us that the liability for unsettled claims at June 30, 1953 is estimated to be approximately \$113,000.00.

BONDED INDEBTEDNESS AND INTEREST:

Following is a summary of the changes in the bonded indebtedness during the fiscal year ending June 30, 1953 as shown by the records of the Controller. (Cents omitted).

Date of Issue	Interest Rate	Balance, June 30, 1952	Transfers During Fiscal Year		Balance, June 30, 1953
			Sold	Retained	
March 1, 1923	5%	\$ 4,501,000		\$ 257,000	\$ 4,758,000
March 1, 1949	1-1/4%	3,400,000		500,000	3,900,000
March 1, 1949	1-1/2%	3,000,000			3,000,000
April 1, 1951	1-1/4%	1,279,000		255,000	1,534,000
April 1, 1951	1-3/4%	8,466,000			8,466,000
March 1, 1952	1-1/2%	9,100,000		450,000	9,550,000
December 1, 1952	1-3/4%		\$10,000,000		10,000,000
August 1, 1953 (Note 1)	4%		960,000		960,000
August 1, 1953 (Note 1)	2-1/2%		3,840,000		3,840,000
		\$29,746,000	\$14,800,000	\$1,500,000	\$44,046,000

*Includes \$6,000.00 matured but unpaid.

Note 1: The \$4,800,000 shown as sold August 1, 1953 represents a bid accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953.

Of the \$48,900,000.00 school bond issue approved by public vote in November, 1948, \$7,900,000.00 remained unsold at June 30, 1953.

Bond interest payable or accrued as at June 30, 1953 amounted to \$204,596.67, as follows:

Coupons matured—not presented for payment.....	\$ 9,111.23
Interest accrued—not due	195,155.42
Total.....	\$204,596.67

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the annual balance sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$195,155.42) has been treated as a deferred charge.

ACCOUNTS PAYABLE AND COMMITMENTS:

Following is a summary of accounts payable as at June 30, 1953:

Warrants and payroll deductions outstanding.....	\$ 2,176,099.52
Accounts payable—	
Goods and services received for which warrants had not been issued	281,877.17
Uncompleted purchase orders and contracts	11,114,902.51
	\$13,572,879.50

The contractual liability of \$11,114,902.51 for uncompleted purchase orders and contracts represents obligations for goods and services not received nor rendered as at June 30, 1953. Since these charges apply to subsequent periods, a like amount is shown as a deferred charge in the annual balance sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. Following is a summary of these balances:

Employees' Retirement System.....	\$290,793.30
Department of Public Works	192,734.85
Other City departments	24,191.32
	\$507,719.47

The goods and services for which the above liabilities were incurred were furnished or rendered on or prior to June 30, 1953 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET — JUNE 30, 1953

ASSETS

	Total	Current Funds	Capital Funds	Special and Trust Funds
FIXED CAPITAL PROPERTIES (Note 1):				
Land.....	\$ 14,084,207.16		\$ 14,084,207.16	
Building and improvements.....	61,744,312.50		61,744,312.50	
Equipment.....	7,592,686.89		7,592,686.89	
Total.....	\$ 83,421,206.55		\$ 83,421,206.55	
CASH:				
On deposit with Treasurer (Note 2).....	\$ 18,646,917.00	\$ 5,152,082.96	\$ 12,916,175.95	\$ 578,658.09
Cash transfers outstanding.....	342,910.04	8,770.21	6,642.63	327,497.20
Revolving funds.....	4,550.00	3,000.00		1,550.00
Advances to Purchasing Department.....	18,601.12	14,364.01	4,237.11	
Bond interest and redemption funds.....	15,441.25	15,441.25		
Other—Hume Foundation.....	238.00			238.00
Total.....	\$ 19,028,637.41	\$ 5,193,658.43	\$ 12,927,055.69	\$ 907,943.29
ACCOUNTS RECEIVABLE:				
Delinquent taxes and penalties.....	\$ 538,388.79	\$ 536,953.16		\$ 1,435.63
Less: Reserve for unsecured property taxes.....	375,696.51	375,347.92		348.59
Secured taxes and penalties.....	\$ 162,692.28	\$ 161,605.24		\$ 1,087.04
School bond subscriptions.....	4,800,000.00		\$ 4,800,000.00	
Other accounts, subventions, etc. (contra).....	681,790.92	643,129.45		38,661.47
Total.....	\$ 5,644,483.20	\$ 804,734.69	\$ 4,800,000.00	\$ 39,748.51
INTER-FUND ACCOUNTS.....	\$ 33,841.01	\$ 33,841.01		
INVENTORIES AND DEFERRED CHARGES:				
Stores—at cost.....	\$ 802,093.05	\$ 801,030.80		\$ 1,062.25
Shop inventory—at cost.....	24,016.53	24,016.53		
Other supplies and expense.....	20,412.36	20,412.36		
Unexpired insurance.....	4,513.70	4,513.70		
Bond interest accrued (contra).....	195,155.42	195,155.42		
Uncompleted contracts and purchase orders (contra).....	11,114,902.51	734,433.25	\$ 10,375,751.18	4,718.08
Work in progress.....	145,481.36		145,481.36	
Total.....	\$ 12,306,574.93	\$ 1,779,562.06	\$ 10,521,232.54	\$ 5,780.33
TOTAL.....	\$120,434,763.10	\$7,811,796.19	\$111,669,494.78	\$953,472.13

See notes appended to this exhibit which are made an integral part hereof.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET — JUNE 30, 1953

LIABILITIES AND SURPLUS

	Total	Current Funds	Capital Funds	Special and Trust Funds
BONDED DEBT (Note 3)	\$ 43,046,000.00	\$ 6,000.00	\$ 43,040,000.00	
BONDED INTEREST:				
Coupons matured—unpaid.....	\$ 9,441.25	\$ 9,441.25		
Accrued interest not due (contra)	195,155.42	195,155.42		
Total.....	\$ 204,596.67	\$ 204,596.67		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,176,099.52	\$ 2,032,428.78	\$ 2,937.16	\$ 140,733.58
Accounts payable—materials and service.....	281,877.47	262,530.36		19,347.11
Uncompleted purchase orders and contracts (contra).....	11,114,902.51	734,433.25	10,375,751.18	4,718.08
Total.....	\$ 13,572,879.50	\$ 3,029,392.39	\$ 10,378,688.34	\$ 164,798.77
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 192,734.85	\$ 186,701.67		\$ 6,033.18
Employees' Retirement System.....	290,793.30	290,671.21		122.09
Other City departments.....	24,191.32	15,411.56		8,779.76
Total.....	\$ 507,719.47	\$ 492,784.44		\$ 14,935.03
SPECIAL AND TRUST FUNDS	\$ 735,043.83			\$ 735,043.83
DEFERRED CREDITS:				
Accounts receivable (contra).....	\$ 681,790.92	\$ 643,129.45		\$ 38,661.47
Other.....	28,631.98	28,598.95		33.03
Total.....	\$ 710,422.90	\$ 671,728.40		\$ 38,694.50
SURPLUS (EXHIBITS B AND C)	\$ 61,658,100.73	\$ 3,407,294.29	\$ 58,250,806.44	
TOTAL	\$120,434,763.10	\$7,811,796.19	\$111,669,494.78	\$953,472.15

See notes appended to this exhibit which are made an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 NOTES FORMING AN INTEGRAL PART OF EXHIBIT A

Note 1: Fixed capital properties are not recorded on the general accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.

Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1953, aggregating \$756,497.50, were deposited with the Treasurer to the credit of the School District general fund and accordingly are included in the "Current Funds" column of the foregoing balance sheet. Of this amount, plus the balance at the beginning of the year of \$34,037.53, the Board of Education appropriated \$136,444.05 for capital outlay and \$654,091.00 remains specifically reserved for the same purpose.

Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligations of the City and County of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of record.

Note 4: Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000.00

Contingent liability for compensation insurance claims pending June 30, 1953 is estimated by the San Francisco City and County Employees' Retirement System to be approximately \$113,000.00.

EXHIBIT B
 CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO UNIFIED SCHOOL DISTRICT
 STATEMENT OF CURRENT SURPLUS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1953

BALANCE—JUNE 30, 1952	\$2,900,255.71
Add:	
Net revenues for fiscal year ended June 30, 1953 (Exhibit D).....	509,682.45
	<u>3,409,938.16</u>
Deduct:	
Adjustment of delinquent taxes and penalties for year ended	
June 30, 1953.....	2,643.87
BALANCE—JUNE 30, 1953	<u><u>\$3,407,294.29</u></u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1953

BALANCE — JUNE 30, 1952		\$76,822,297.25
Add:		
Capital outlay from non-capital funds:		
Capital outlay shown by School District records:		
From school general funds	\$822,897.85	
From child care centers' funds	5,808.60	
From special accumulative building fund	25,746.18	
	\$854,452.63	
Capital outlay not taken up by School District, to be recorded in 1953-1954	\$ 10,879.74	
Capital outlay not taken up by Controller, to be recorded in 1953-1954	(3,085.98)	7,793.76
		\$862,246.39
Capital outlay of prior years recorded in 1952-1953	10,508.57	851,737.82
Other revenue:		
Rentals	\$ 1,588.91	
Miscellaneous sales	3,007.00	4,595.91
Bonded debt matured during year		1,505,000.00
		\$38,743,929.02
Deduct:		
Cost or assigned book value of properties sold:		
Property—Block 1032—10.2717 acres—New Lowell High site	\$264,908.07	
Property—501 Castenda Way	1,000.00	
Property—507 Castenda Way	3,800.00	
Property—Block 1111, Lot 1, Anzavista School site	84,906.50	
Buildings—Franklin Elementary School	17,500.00	
Building—618 Olmstead	5.00	
13 Vacuum Cleaner systems removed from school buildings in 1942 to 1944 but not written off at that date	18,200.00	
1 Air Blower system—Washington Irving School	500.00	
1 Water Pump system—Galileo High School	250.00	391,069.57
Cost or assigned book value of equipment disposals during year	81,708.01	
Insurance claim on fire at Daniel Webster School	20,345.00	201,182.58
		\$38,250,896.87
BALANCE — JUNE 30, 1953		

Note: Gain on sale of Laurel Heights Property (\$384,377.83) was transferred to General Surplus.

EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	1953	1952
REVENUES (EXHIBIT E)	\$31,194,702.01	\$29,253,684.96
OPERATING EXPENSES:		
Administration	\$ 791,350.77	\$ 739,628.18
Instruction	21,000,685.63	19,541,089.27
Auxiliary services	271,234.66	267,089.82
Operations	2,328,595.95	2,224,547.30
Maintenance	1,810,644.43	1,418,445.19
Fixed charges	3,342,209.30	2,941,109.09
Transportation of pupils	307,527.33	224,028.51
Food service	120,277.39	123,553.69
Community services	218,779.49	185,164.56
Tuition from other districts	2,560.25	2,264.74
Total direct expenses	\$30,193,865.20	\$27,666,719.35
AUXILIARY (INDIRECT) SERVICES CONTRIBUTED BY THE BOARD OF HEALTH:		
Medical inspection	\$ 84,615.27	\$ 78,939.22
Dental inspection	48,080.58	46,209.43
Nurse service	292,058.16	256,297.67
Total indirect expenses	\$ 424,754.01	\$ 381,446.32
Total operating expenses	\$30,618,619.21	\$28,048,165.67
EXCESS OF REVENUES	\$ 576,082.80	\$ 1,205,519.29
CAPITAL OUTLAY FROM CURRENT FUNDS		
Less:		
Sale of land and buildings	\$ 822,897.85	\$ 890,735.61
Net capital outlay from current funds (Exhibit F)	756,497.50	69,335.55
NET REVENUES	\$ 509,682.45	\$ 384,119.23

EXHIBIT E

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF REVENUE
FOR FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	1953	1952
PROPERTY TAXES AND PENALTIES	\$19,697,127.40	\$19,057,394.55
RECEIVED FROM STATE OF CALIFORNIA:		
Elementary schools	\$ 5,500,557.10	\$ 4,996,542.35
High schools and City College	2,926,943.80	2,781,590.49
Retirement subventions	737,547.23	682,629.34
Total	\$ 9,165,048.13	\$ 8,463,762.18
OTHER REVENUES:		
San Francisco Housing Authority	\$ 70,309.39	\$ 89,095.23
Federal and State vocational education	57,191.88	60,414.53
Reimbursement for veterans' vocational training	192,018.30	189,794.18
Tuition from other counties	359,814.44	385,882.44
Rentals	363,736.37	362,218.11
Federal Military Aid and Public Law 871	723,553.27	192,984.96
Miscellaneous	141,148.82	70,662.56
Total	\$ 1,907,772.47	\$ 1,351,081.91
Total direct revenues	\$30,769,948.00	\$28,872,238.64
AUXILIARY (INDIRECT) REVENUES:		
Services of physicians, dentists and other health personnel		
Department of Health	424,754.01	381,446.32
TOTAL REVENUES	\$31,194,702.01	\$29,253,684.96

EXHIBIT F, PAGE 1
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30	
	1953	1952
ADMINISTRATION:		
Salaries.....	\$ 643,527.97	\$ 611,849.79
Supplies.....	45,427.03	45,621.98
Travel expense.....	14,331.52	16,572.52
Miscellaneous.....	88,064.25	65,779.96
Total.....	\$ 791,350.77	\$ 739,628.14
INSTRUCTION — SALARIES:		
Supervision.....	\$ 371,034.86	\$ 352,438.68
Elementary schools.....	8,728,371.55	8,008,509.36
Special schools.....	505,827.42	462,690.21
Junior high schools.....	3,542,654.92	3,161,112.41
Senior high schools.....	3,893,283.46	3,854,326.50
Adult schools.....	781,164.92	738,272.19
Trade and industrial schools.....	374,746.05	380,184.54
Continuation school.....	165,246.08	143,497.98
City College.....	1,588,896.66	1,488,061.52
Total.....	\$19,951,225.92	\$18,592,393.38
INSTRUCTION — SUPPLIES, ETC.:		
Educational supplies.....	\$ 626,436.87	\$ 575,268.83
Books.....	206,963.92	200,527.15
Travel expense.....	17,222.81	18,044.32
Miscellaneous.....	198,836.11	154,855.27
Total.....	\$ 1,049,459.71	\$ 948,695.80
AUXILIARY SERVICES:		
Compulsory education.....	\$ 150,451.30	\$ 112,544.62
Guidance service centers.....	86,486.80	83,544.57
Student placement service.....	21,329.62	19,721.64
Nurse service.....	8,020.00	7,679.43
Miscellaneous.....	4,946.94	13,599.54
Total.....	\$ 271,234.66	\$ 267,089.82
Carried forward.....	\$22,063,271.06	\$20,547,807.27

EXHIBIT F, PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30,	
	1953	1952
Brought forward.....	\$22,033,271.03	\$20,547,807.27
OPERATION:		
Janitors, engineers and gardeners:		
Salaries.....	\$ 1,641,975.14	\$ 1,561,994.56
Supplies.....	110,010.82	103,393.47
Gas and electricity.....	239,012.06	215,454.85
Fuel.....	78,672.44	94,705.50
Water.....	52,146.87	49,444.01
Miscellaneous.....	206,778.62	199,554.91
Total.....	\$ 2,328,595.95	\$ 2,224,547.30
MAINTENANCE:		
Repairs:		
Buildings and grounds.....	\$ 1,548,846.44	\$ 1,217,315.09
Janitors' equipment.....	8,852.21	1,352.00
Educational equipment.....	241,713.17	185,032.83
Fire damage.....	1.90	4,199.96
Miscellaneous.....	11,230.71	10,545.31
Total.....	\$ 1,810,644.43	\$ 1,418,445.19
FIXED CHARGES:		
Rents.....	\$ 7,011.18	\$ 6,000.28
Insurance.....	57,000.13	49,237.41
Compensation and accident claims.....	43,594.49	32,275.16
Contributions to retirement system:		
City.....	3,179,284.48	2,802,242.36
State.....	43,308.00	43,308.00
Miscellaneous.....	12,011.02	8,045.88
Total.....	\$ 3,342,209.30	\$ 2,941,109.09
TRANSPORTATION OF PUPILS.....	\$ 307,527.33	\$ 224,028.51
FOOD SERVICE:		
Cafeteria supervision.....	\$ 48,392.92	\$ 52,567.55
Cafeteria maintenance.....	23,334.22	25,163.43
Free meals.....	18,295.30	15,213.80
Health classes and other expenses.....	30,254.95	30,408.91
Total.....	\$ 120,277.39	\$ 123,353.69
Carried forward.....	\$29,972,525.46	\$27,479,291.05

EXHIBIT F, PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1953 AND 1952

	Fiscal Years Ended June 30	
	1953	1952
Brought forward.....	\$29,972,525.46	\$27,479,291.05
COMMUNITY SERVICES:		
Recreation program.....	\$ 140,782.80	\$ 130,366.42
Veterans' counseling.....	34,217.74	14,003.66
Civic Center activities.....	43,778.95	38,853.36
City College dormitories.....		1,909.12
Total.....	\$ 218,779.49	\$ 185,169.56
TUITION PAID TO OTHER DISTRICTS.....	\$ 2,560.25	\$ 2,261.74
TOTAL DIRECT EXPENDITURES.....	\$30,193,863.20	\$27,666,719.37
AUXILIARY (INDIRECT) EXPENDITURES:		
Contributed by Board of Health:		
Medical inspection.....	\$ 84,615.27	\$ 78,919.22
Dental inspection.....	48,080.58	46,209.43
Nurse service.....	292,058.16	256,297.67
Total.....	\$ 424,754.01	\$ 381,446.32
TOTAL OPERATING EXPENDITURES.....	\$30,618,619.21	\$28,048,165.67
CAPITAL OUTLAY FROM CURRENT FUNDS:		
Land.....	\$ 123,684.30	\$ 394,741.79
Buildings and improvements.....	240,484.12	133,343.37
Equipment.....	458,729.43	362,618.25
	\$ 822,897.85	\$ 890,735.61
Less:		
Sale of land and buildings.....	\$ 756,497.50	\$ 69,335.35
NET CAPITAL OUTLAY FROM CURRENT FUNDS.....	\$ 66,400.35	\$ 821,400.06

EXHIBIT C (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET — JUNE 30, 1953
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

ASSETS

	Total	Cash Available	Cash in Transit	Accounts Receivable	Other Resources	Unsold Bonds	Interfund Accounts	Investment
CURRENT FUNDS:								
School District.....	\$ 4,465,612.24	\$ 3,119,654.18		\$ 817,778.70	\$486,000.00		\$ 42,179.36	
CAPITAL FUNDS:								
Real Property.....	\$ 59,001.91	\$ 59,001.91						
1948 School Bonds (Note 1).....	25,894,236.88	12,854,236.88		\$4,800,000.00(1)		\$7,990,000.00	\$250,000.00	
Total.....	\$25,953,238.79	\$12,913,238.79		\$4,800,000.00		\$7,990,000.00	\$250,000.00	
SPECIAL AND TRUST FUNDS:								
Special Accumulative								
Building Fund.....	\$ 5,896.80	\$ 5,896.80						
Child Care Center.....	142,269.67	131,518.52		\$ 10,751.15				
Withholding Tax.....	353,699.10	45,112.80	\$308,586.30					
County services.....	8,865.00	8,865.00						
Teachers' Sabbatical Leave.....	9,440.18	9,440.18						
Teachers' Permanent Fund.....	17,915.50	257.00	17,658.50					
Teachers' Annuity Fund.....	11,642.84	1,522.12	10,120.72					
Veterans' Education Fund.....	30.20	30.20						
Cafeteria.....	254,452.27	225,106.32		29,345.95				
Will C. Steinbrunn Bequest.....	15,175.57	10,175.57						
Total.....	\$ 819,387.13	\$ 437,924.51	\$336,365.52	\$ 40,097.10				\$5,000.00
TOTAL.....	\$31,238,238.16	\$16,470,817.48	\$336,365.52	\$5,657,875.80	\$486,000.00	\$7,990,000.00	\$292,179.36	\$5,000.00

Note 1: Represents a bid for the purchase of 1948 School Bonds accepted by the Board of Supervisors of the City and County of San Francisco on June 29, 1953, which bonds were issued in August, 1953, in the amount of \$4,800,000.00.

EXHIBIT G (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET—JUNE 30, 1953
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

LIABILITIES AND SURPLUS

	Total	Encumbrances	Interest- Bearing Accounts	Reserve for Deferred Taxes, Penalties, etc.	Fund Balances		Retirement, Trust and Annuity Balances
					Unencumbered	Unappropriated	
CURRENT FUNDS:							
School District.....	\$ 4,465,612.24	\$ 743,609.27	\$ 725,315.04	\$400,369.21	\$ 566,129.28	\$2,030,189.44	.....
CAPITAL FUNDS:							
Real Property.....	\$ 59,001.91	\$ 572.75	.....	.....	\$ 55,846.26	\$ 2,582.90	.....
1948 School Bonds.....	25,894,236.88	8,922,972.36	\$ 445,557.09	.....	16,491,877.37	33,830.06	.....
Total.....	\$25,953,238.79	\$8,923,545.11	\$ 445,557.09	.....	\$16,547,723.63	\$ 36,412.96	.....
SPECIAL AND TRUST FUNDS:							
Special Accumulative Building Fund.....	\$ 5,896.80	.....	.....	.....	\$ 5,896.80	.....	.....
Child Care Center.....	142,269.67	\$ 21,538.99	\$ 16,978.76	\$ 348.59	5,000.00	\$ 98,403.33	.....
Withholding Tax.....	353,699.10	.....	.....	.....	.....	.....	\$353,699.10
County Services.....	8,865.00	.....	8,865.00	.....	.....	.....	.....
Teachers' Sabbatical Leave.....	9,440.18	.....	.....	.....	.....	.....	9,440.18
Teachers' Permanent Fund.....	17,915.50	.....	.....	.....	.....	.....	17,915.50
Teachers' Annuity Fund.....	11,642.84	.....	.....	.....	.....	.....	11,642.84
Veterans' Education Trust Fund.....	30.20	.....	.....	.....	.....	.....	30.20
Calderia.....	254,432.27	.....	149.79	.....	5,033.03	249,369.45	.....
Will C. Steinbrunn Bequest.....	15,175.57	.....	.....	.....	.....	.....	15,175.57
Total.....	\$ 819,387.13	\$ 21,538.99	\$ 25,993.55	\$ 348.59	\$ 15,929.83	\$ 347,672.78	\$819,291.09
TOTAL.....	\$31,230,238.16	\$9,689,693.37	\$1,196,865.68	\$400,717.80	\$17,129,782.74	\$2,444,135.10	\$819,291.09

EXHIBIT H (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET — JUNE 30, 1953

ASSETS

	Total	Fixed Assets	Cash	Accounts Receivable	Inter-fund Accounts	Unsold Bonds	Deferred Charges	Investments
PROPRIETARY BALANCE SHEET								
(Exhibit A)								
Fixed capital properties.....	\$ 83,421,206.55	\$83,421,206.55						
Warrants and payroll deductions outstanding.....			\$ 2,176,099.52					
Revolving funds.....	4,550.00		4,550.00					
Advances to Purchasing Department.....	18,601.12		18,601.12					
Bonds matured - unpaid.....	6,000.00		6,000.00					
Bond interest matured - unpaid.....	9,441.25		9,441.25					
Hume Foundation Trust Fund.....	238.00		238.00					
Accounts receivable - tuition.....	353,367.32			\$ 353,367.32				
Salary suit repayments.....	8,716.59			8,716.59				
Rentals.....	220.00			220.00				
Inventories and deferred charges.....	12,306,574.93						\$12,306,574.93	
Cash transfers outstanding.....	6,544.52		6,544.52					
Total.....	\$ 98,311,559.80	\$83,421,206.55	\$ 2,221,474.41	\$ 362,303.91			\$12,306,574.93	
ADD:								
Investments.....	\$ 5,000.00							\$5,000.00
Inter-fund transactions.....	258,338.35				\$258,338.35			
1948 School Bonds unsold.....	7,990,000.00					\$7,990,000.00		
Reserve for uninsured property taxes.....	375,696.51			\$ 375,696.51				
Estimated Federal Grant Receivable— School Construction Project.....	486,000.00			486,000.00				
Total.....	\$ 9,115,034.86			\$ 861,696.51	\$258,338.35	\$7,990,000.00		\$5,000.00
FUNDS BALANCE SHEET (Exhibit G).....	\$ 31,238,238.16		\$16,807,183.00	\$6,143,875.80	\$292,179.36	\$7,990,000.00		\$5,000.00

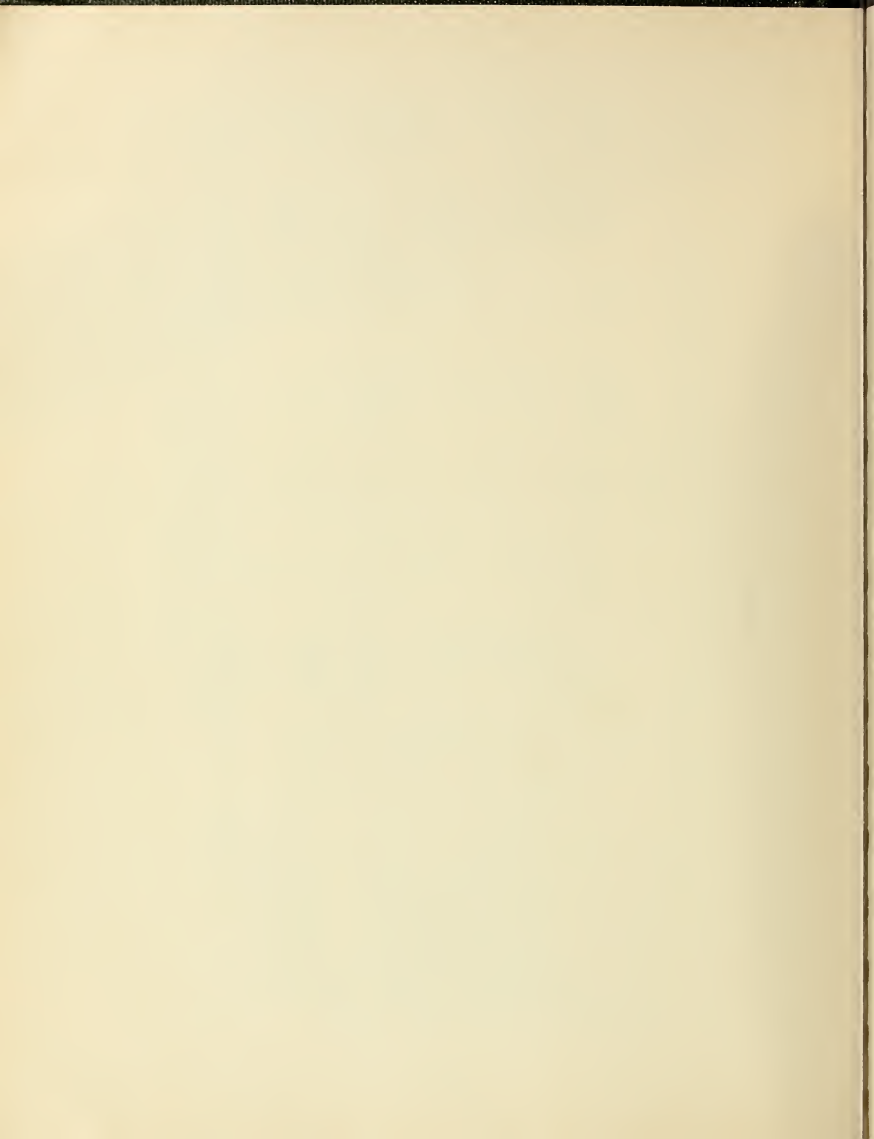
EXHIBIT H (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET — JUNE 30, 1953

LIABILITIES AND SURPLUS

PROPRIETARY BALANCE SHEET (Exhibit A)	Total	Bonded Debt	Bond Interest	Accounts Payable and Prepayments	Interfund Accounts	Deferred	Balance of
DEDUCT:							
Fixed capital—less bonded debt.....	\$ 83,421,206.55	\$43,046,000.00					
Warrants and payroll deductions outstanding.....	2,176,099.52			\$ 2,176,099.52			
Revolving funds.....	4,550,000.00						4,550.00
Advances to Purchasing Department.....	18,500.00						18,601.12
Bonds interest matured—unpaid.....	6,000.00	6,000.00					
Bonds interest matured—unpaid.....	9,441.25		\$ 9,441.25				
Hume Foundation Trust Fund.....	238.00						238.00
Accounts receivable reserves:							
Tuition.....	353,367.32					\$353,367.32	
Salary and payroll payments.....	8,716.59					8,716.59	
Miscellaneous.....	220.00					220.00	
Inventories and deferred charges.....	12,306,574.93					348,118.99	(348,118.99)
Bond interest accrued—not due.....			195,155.42				12,306,574.93
Inter-fund transactions.....				\$ 1,708,086.61			(195,155.42)
Cash transfers outstanding.....	6,544.52						(1,708,086.61)
Total.....	\$ 98,311,559.80	\$43,046,000.00	\$204,596.67	\$ 3,884,186.13		\$710,422.90	\$ 30,166,551.10
ADD:							
Investments.....	\$ 5,000.00						\$ 5,000.00
Inter-fund transactions.....	258,338.35				\$ 689,146.21		486,000.00
1948 School Bonds unsold.....	7,990,000.00						7,990,000.00
Reserve for uninsured property taxes.....	375,696.31					\$75,696.51	27,000.00
Reserve for Depreciation of Public Works.....						25,000.00	
Reserve for bonded checks.....						21.29	
Estimated Federal Grant Receivable—							348,118.99
School Construction Project.....	486,000.00						
Total.....	\$ 9,115,034.86				\$ 689,146.21	\$100,717.80	\$ 10,000,000.00
FUNDS BALANCE SHEET (Exhibit G)	\$ 31,238,238.16			\$ 9,688,693.17	\$1,196,863.68	\$100,717.80	\$ 31,238,238.16

(Unappropriated balance)
(Unappropriated balance)
(Unappropriated balance)
Fund Funds

Total



City and County of San Francisco
Employees' Retirement System

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EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1953

Farquhar & Heimbucher

Certified Public Accountants

220 BUSH STREET, SAN FRANCISCO 4, CALIFORNIA

November 13, 1953

To the Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the balance sheet of the City and County of San Francisco Employees' Retirement System at June 30, 1953 and the related statement of changes in equities for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in equities present fairly the financial position of the City and County of San Francisco Employees' Retirement System at June 30, 1953, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FARQUHAR & HEIMBUCHER

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments
Comments on Operations
Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1953
Exhibit B Statement of Changes in Equities for Year ended June 30, 1953
Schedule A 1 Bond Investments

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated February 9, 1953. Mr. David F. Supple, Controller, was a participant to the Grand Jury, participated.

The City and County of San Francisco Employees' Retirement System was originally established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, under Article XVII of the charter which was adopted at the general election of November 2, 1919. The system was established to provide retirement and death benefits for public employees other than policemen and firemen who were at that time members of a separate pension system and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter effective January 8, 1932 the employees of the police and fire departments were brought into the system, and the present name and administration organization adopted.

The system is administered by the Retirement Board consisting of seven members: the President of the Board of Supervisors; the City Attorney; three active members of the system elected by the membership; and two members appointed by the Mayor, of whom one is an officer of a trade and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. Dewey Mead, President of the Board of Supervisors; Mr. Dion R. Holm, City Attorney; Mr. John F. Brady, Mr. Anselm B. Crowley, and Mr. James J. McGovern, elected by the membership; Mr. Belford Brown of The San Francisco Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. Ira G. Thompson is Secretary of the System.

Membership in the system is now effective for all permanent civil service employees of the City and County of San Francisco, for employees of the San Francisco Unified School District, for certain temporary employees, and for certain elective officials. The present active membership is approximately 19700, and approximately 4200 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in equities to satisfy ourselves as to its general accuracy.

In the course of our examination we tested members' contributions with payroll records and with established contribution rates. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions. In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

Department	Charter Section	July 1, 1952 to January 31, 1953	February 1, 1953 to June 30, 1953
Municipal Railway.....	165.2	8.963%	9.21%
Water Department.....	165.2	7.740	7.956
Police Department.....	168.1	27.691	27.691
Fire Department.....	171.1	17.980	17.980
All others.....	165.2	12.306	12.615

The above rates were computed on the basis of an actuarial survey as at June 30, 1948 adjusted for charter section changes and amendments.

An actuarial valuation as at June 30, 1951 has recently been completed, and as a result the following rates will become effective July 1, 1953.

Department	Charter Section	Rate July 1, 1953
Municipal Railway.....	165.2	6.502%
Water Department.....	165.2	10.605
Police Department.....	168.1	21.062
Fire Department.....	171.1	21.662
All others.....	165.2	12.553

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payment of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Death benefit deposited represents a death benefit which is being paid in monthly installments at the request of the beneficiary.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We have examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements.....	\$4,966,997.61
Disability retirements.....	1,387,102.15
Death allowances.....	548,286.67
Death benefits to members' beneficiaries.....	399,420.58
Death benefits to beneficiaries of retired members.....	138,164.77
Total.....	<u>\$7,439,971.78</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

The excess of current year charges over tax appropriation received represents the excess of the requirements for current and prior service for the year over the tax appropriation for the current year. This excess has been charged against the accumulated unallocated appropriations of prior years, in which the tax appropriations exceeded the requirements, pending issuance of an opinion by the City Attorney as described later in the text of this report.

The excess of equity additions over reductions for the year is added to the several equity accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraph we comment on the assets, liabilities, and equities in the order in which they appear on the balance sheet, Exhibit A.

Cash—\$2,241,307.80

Cash on deposit with the Treasurer of the City and County of San Francisco, \$2,241,307.80, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$26,345.32, which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the system and have been deducted from the above cash balance. The system is presently attempting to locate the payees of these warrants and make payments of them.

Taxes Allocated to Retirement System—\$68,965.48

The amount shown above, which was obtained from the Controller's office, represents the total property taxes which are allocated to the Retirement System, but which have not yet been collected by the City and County of San Francisco, less a reserve to cover the portion representing unsecured personal property taxes.

Bond Interest Accrued—\$865,621.00

We have satisfied ourselves by an independent calculation that the above amount of \$865,621.00 represents the bond interest earned, but not received, at June 30, 1953.

Due from City and County of San Francisco—\$1,043,987.20

A summary of the balances due from the City and County of San Francisco at June 30, 1953 is as follows:

Employees' contributions withheld from salaries.....	\$ 462,560.95
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932.....	71,205.35
Due from special funds	
Compensation costs.....	52,041.34
Other.....	271.59
City and County contributions due from public utilities and special funds.....	457,907.97
	<u>\$1,043,987.20</u>

The amounts due for employees' contributions and for City and County of San Francisco contributions due from public utilities and special funds represent contributions for May and June 1953, for which cash transfers were made after June 30, 1953.

Contributions of policemen made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds represent compensation and other costs not reimbursed until after the close of the fiscal year.

The amounts due from special funds for compensation costs and other costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Estimated Future City and County of San Francisco Contributions for Compensation Claims

Pending—\$1,337,503.49

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1953. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments—\$126,319,203.73

Bonds owned by the system are held in joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1953.

The above amount represents the purchase price of bonds owned, adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1953. We did not ascertain the current market value of these securities. None of the bonds owned were in default as to principal or interest at June 30, 1953.

All bonds owned are of the character legal for investment by insurance companies in the State of California.

Compensation Costs Payable—\$6,096.50

This amount includes medical bills of \$6,076.50 and filing fees of \$20.00 actually determined at June 30, 1953.

Estimated Liability for Compensation Insurance Claims Pending—\$1,337,503.49

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Accumulated Contributions of Former Members—\$23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions, but never presented for payment.

Advances from Private Sources—\$1,378.60

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Death Benefits on Deposit—\$22,395.49

This amount represents death benefits which the beneficiaries have commonly received on deposit with the Retirement System. They are being paid to the beneficiaries in monthly installments.

Present Value of Current Service Benefits Granted—\$34,510,010.70

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County of San Francisco.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law, an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an actuarial survey was made as at June 30, 1951 upon which the above amount was based.

Accumulated Contributions, Members—\$42,102,942.30.

This balance represents the members' accumulated contributions as required by the applicable sections of the charter together with the accumulated interest. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1953 at the rate of two and one-half percent.

Statements of accounts as at June 30, 1953 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies which have been reported to us to date were minor in nature and have been adjusted. It was not practicable to deliver statements for all the accounts, but we have scrutinized the accounts for which statements were returned undelivered, as well as those for which no statements were prepared.

Accumulated Contributions, City and County of San Francisco—\$43,635,065.91

Contributions by the City and County of San Francisco for the benefit of present members not yet retired are accumulated in this account. Separate accounts are not maintained for individual members, but the contributions are computed in accordance with the charter section applicable to each member.

For the fiscal year ended June 30, 1953 interest was credited to this account at the rate of two and one-half percent.

Unallocated Tax Appropriations—\$1,422,442.45

This account represents the accumulated net excess of City and County of San Francisco tax appropriations allocated to the Retirement System over the pension costs incurred. Under the provisions of the Municipal Code such funds shall first be applied to meet the requirements for their charges for the period for which appropriated, and then shall be used to meet the accumulated obligations of the City and County of San Francisco to the Retirement System.

The tax allocation is made annually at the beginning of the year, and in any one year may or may not be sufficient to meet the actual requirements for that year. The present accumulated net excess is carried as a reserve.

During the year under review the tax appropriation received was insufficient, by \$275,904.03, to meet the requirements for fixed charges for current and prior service. We are informed that an opinion has been requested from the City Attorney as to whether a portion of the accumulated reserve described should be applied on the deficit in the appropriation for any year.

Pending clarification of this matter the deficit for the year under review has been charged against the reserve balance as shown below.

Balance at June 30, 1952.....		\$1,698,346.48
Deduct Fixed charges for current and prior service and other costs.....	\$9,089,393.25	
Less Tax appropriation allocated to the Retirement System for the year ended June 30, 1953.....	8,813,489.22	275,904.03
Balance at June 30, 1953.....		<u>\$1,422,442.45</u>

City and County of San Francisco Contributions Reserved for Current Service Benefits not Otherwise Funded and Prior Service Benefits—\$2,410,239.09

This reserve consists of unallocated funds retained by the system as provided by an ordinance effective June 30, 1946 plus annual additions for City and County of San Francisco contributions released as a result of withdrawal or death of members who were participating under matching plans and interest credited.

For annual statement purposes a portion of these funds is applied to the reserve for disability pensions in order to increase that reserve to the present value of the current service portion of disability pensions for retired members. These funds are also reduced annually for certain death benefits of active and retired members and for the restoration of matching contributions in connection with the re-deposit of members' contributions previously withdrawn.

Changes in this reserve during the year under review were as follows:

Balance at June 30, 1952.....		\$2,657,274.25
Increases		
Contributions released on withdrawal of active members.....	\$ 50,932.46	
Contributions released on death of active members.....	16,633.95	
Interest credited to reserve.....	106,603.42	174,169.83
		<u>\$2,831,444.08</u>
Decreases		
Amount applied to the reserve for disability pensions		
Required at June 30, 1953.....	\$1,961,876.29	
Required at June 30, 1952.....	1,607,304.43	
Increase in amount transferred.....	\$ 354,571.86	
Death benefits paid to beneficiaries of matching plan members.....	62,100.85	
Amount transferred on account of re-deposit of members contributions previously withdrawn.....	4,532.28	421,204.99
Balance at June 30, 1953.....		<u>\$2,410,239.09</u>

Undistributed Earnings from Sale of Bonds—\$2,885,741.47

These undistributed earnings represent the unabsorbed portion of profit from sale of bonds in prior years. The reserve was created in accordance with resolution adopted by the Retirement Board, and is being distributed over the life of the bonds purchased with the proceeds.

The following schedule shows the allocations of profit to date:

Profit realized from sale of bonds

Year ended June 30, 1943.....	\$ 400,421.35	
1944.....	1,418,102.36	
1945.....	3,207,543.26	\$5,026,066.97
Profit applied for nine years ended June 30, 1952.....		1,399,296.63
Balance undistributed at June 30, 1952.....		3,126,768.32
Profit applied for year ended June 30, 1953.....		241,027.45
Balance undistributed at June 30, 1953.....		\$2,885,741.47

Contingency Reserve Against Adverse Experience—\$3,519,510.90

This reserve represents interest earned on investments in excess of the amount allocated to all accumulated contributions accounts and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$2,140,325.50 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1952.....		\$2,917,749.52
Bond interest earned.....	\$3,182,649.71	
Prior years' profit on sale of bonds applied during the year.....	241,027.45	
Interest earned on City and County of San Francisco balance.....	1,829.82	
Other income and adjustments.....	503.79	3,426,010.77
Total.....		\$6,343,760.29
Less Interest credits to all accumulated contributions and reserves.....		2,824,249.39
Balance at June 30, 1953.....		\$3,519,510.90

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
BALANCE SHEET AT JUNE 30, 1953

ASSETS		LIABILITIES AND EQUITIES	
CASH		PAYABLES	
RECEIVABLES		Compensation costs.....	\$ 6,096.50
Taxes allocated to Retirement System.....	\$ 195,727.45	Estimated liability for compensation insurance claims pending (contra).....	1,337,503.49
Less Reserve for unsecured personal property taxes.....	126,761.97	Accumulated contributions of former members.....	23,260.80
		Advances from private sources.....	1,378.60
			\$ 1,368,239.39
Secured Taxes.....	\$ 68,965.48	EQUITIES	
Bond interest accrued.....	865,621.00	Death benefits on deposit.....	22,396.49
Due from City and County of San Francisco.....	1,043,987.20	Present value of current service benefits granted	
Estimated future City and County of San Francisco contributions for compensation claims pending (contra).....	1,337,503.49	Service retirements.....	
		Annuitants.....	\$ 7,072,143.29
		Pensions.....	17,718,114.11
		Disability retirements.....	795,383.20
		Annuitants.....	7,450,240.54
		Pensions.....	
		Death allowances.....	120,313.50
		Annuitants.....	1,353,816.56
		Pensions.....	
		Accumulated contributions.....	
		Members' contributions Normal	
		General.....	\$34,150,573.02
		Police.....	4,060,000.52
		Fire.....	3,009,042.72
		Additional.....	923,289.64
			\$42,102,942.30
		City and County of San Francisco contributions.....	43,635,065.91
		Reserves	
		Unallocated tax appropriations.....	1,422,442.45
		City and County of San Francisco contributions reserved for current service benefits not otherwise funded and prior service benefits.....	\$ 2,410,239.09
		Undistributed earnings from sale of bonds.....	2,885,741.47
		Contingency reserve against adverse experience.....	3,519,510.90
			<u>\$131,876,588.70</u>
			<u>\$131,876,588.70</u>

BOND INVESTMENTS AT AMORTIZED
VALUE, SCHEDULE A 1.....

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF CHANGES IN EQUITIES
FOR YEAR ENDED JUNE 30, 1953

MEMBERS' CONTRIBUTIONS		Total equity additions (forward)	
Normal		DISTRIBUTIONS	
General	\$5,381,492.03	Allocated benefits paid	
Police	3,475,275.11	From members' reserves	\$1,222,799.04
Fire	449,443.23	From City and County of San Francisco reserves	2,648,330.64
Additional		From City and County of San Francisco current payments	3,568,842.10
Redeposits of withdrawn contributions	12,253.56	Monthly death benefit instalments	\$ 7,439,971.78
		Accumulated contributions withdrawn	1,435.00
			917,735.07
CITY AND COUNTY OF SAN FRANCISCO REGULAR CONTRIBUTIONS		ADMINISTRATIVE EXPENSES	
Current service reserves		PAID (CONTRA)	
General	\$7,588,375.54	COMPENSATION COSTS	
Police	2,094,348.89	Wages and salaries	\$ 205,626.69
Fire	1,067,728.54	Medical benefits	193,600.10
Current service benefits		Medical expenses	2,948.85
Police	\$ 165,354.61	Premiums	\$ 421,845.64
Fire	635,451.04	Administrative expenses	236,963.73
Police service benefits		Less Subrogation recoveries and refunds from special funds	
General	\$ 770,612.91		
Police	790,454.59	EXCESS OF CURRENT YEAR CHARGES OVER TAX APPROPRIATION RECEIVED	
Fire	1,208,798.77		
		Total equity reductions	
		EXCESS OF EQUITY ADDITIONS OVER REDUCTIONS	
DEATH BENEFIT DEPOSITED		EQUITIES AT JUNE 30, 1952	
INCOME		EQUITIES AT JUNE 30, 1953, EXHIBIT A	
Bond interest earned		Death benefits on deposit	\$ 22,206.49
Other		Present value of current service benefits granted	34,510,000.70
		Accumulated contributions	8,022,414.37
		Unallocated tax appropriations	6,015,401.46
		Current reserves	
		Total	\$24,454,533.57
CITY AND COUNTY OF SAN FRANCISCO OTHER CONTRIBUTIONS			
For administrative expenses (contra)	\$ 211,004.73		
For compensation insurance (contra)	184,881.91		
For current (contra)			
Total equity additions (forward)			

SCHEDULE A 1
CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
BOND INVESTMENTS
AT JUNE 30, 1953

	Par Value	Amortized Value
United States Government.....	\$ 63,545,000.00	\$ 63,766,416.71
California municipalities, school districts, and other divisions....	8,000,975.00	7,757,622.37
Municipalities other than California.....	3,182,000.00	3,384,820.66
Railroads.....	330,000.00	328,926.96
Railroad equipment trusts.....	11,423,000.00	11,235,521.30
Railroad terminals.....	452,000.00	446,599.84
Public utilities.....	39,021,000.00	39,399,295.89
Total.....	<u>\$125,953,975.00</u>	<u>\$126,319,203.73</u>

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

TREASURER'S OFFICE

REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1953

September 29, 1953

Mr. Harry D. Ross
Controller
City and County of San Francisco

Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination was made of the accounts of the Treasurer's Office for the fiscal year ended June 30, 1953.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

As directed by you, two reports have been prepared of this examination, as follows:

- (1) One report for publication in the Controller's Annual Report for the fiscal year ended June 30, 1953, the text of which follows.
- (2) A more detailed report hereinafter referred to as the "Detailed Report", substantially identical with the above, supplemented by detailed exhibits. Copies of this report were distributed to City and County Officials, the Grand Jury, the press and certified public accounting firms engaged this year by the City and County of San Francisco.

AUTHORITY

The operations of the Treasurer's Office are governed by the provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors.

Laws governing the operation of the Treasurer's Office are cited or quoted in applicable sections of this report.

SCOPE OF EXAMINATION

An examination was made of the accounts and records maintained by the Treasurer, including verification of the money and securities received and disbursed during the fiscal year and charged to the Treasurer as at June 30, 1953, as hereinafter reported. In view of the existing methods of internal check and continuous audits of receipts and disbursements, maintained between the offices of the Treasurer and Controller, a detailed audit thereof was not duplicated in this assignment.

Cash on hand was verified June 30, 1953, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the various depositories.

Securities and other assets in the custody of the Treasurer on June 30, 1953, were verified as hereinafter reported.

Revenues and expenditures in connection with the operations of the Treasurer's office during the fiscal year were verified and confirmed against the Controller's records.

Unused prenumbered fee tags in possession of the Treasurer were in agreement with the tags charged to the Treasurer by the Controller's Revenue Division.

The Treasurer's office is the depository of funds of the Islais Creek Reclamation District. An examination of the records of the District was not included in this assignment.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1953, as compared with June 30, 1952 accountability of \$320,451,577.67, summarized as follows:

	June 30, 1953	June 30, 1952
Cash and Cash Items.....	\$ 92,839,594.19	\$ 92,839,594.19
Securities at Par Value.....	239,992,175.00	220,555,712.50
Other Deposits.....	39.00	31.00
Total.....	<u>\$332,831,808.19</u>	<u>\$320,451,577.67</u>

Cash and cash items totaling \$92,839,594.19, consisting of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1953, were in agreement with the total charged to the Treasurer by the Controller on that date, as indicated in the following comparative summary:

	June 30, 1953	June 30, 1952
Cash and Cash Items on Hand.....	\$ 1,335,663.74	\$ 977,626.18
Cash in Banks.....	90,594,501.97	98,187,475.87
United States Bonds (Par Value).....	108,900.00	94,850.00
Total Verified as at June 30, 1953.....	<u>\$ 92,039,065.71</u>	<u>99,259,952.05</u>
Deposits Received After June 30th, and verified as applied to the fiscal year under review.....	<u>800,528.48</u>	<u>635,873.82</u>
Total, Per Treasurer and Controller June 30th.....	<u>\$ 92,839,594.19 (1)</u>	<u>\$ 99,895,827.17</u>

(1) The above \$92,839,594.19 was reconciled with Controller's Available Cash of \$84,416,891.02, and the outstanding items of \$8,422,703.17 consist of:

	General City	Public Service Enterprises	Total
Warrants Outstanding.....	\$6,590,099.11	\$ 1,663,138.81	\$ 8,253,237.92
Matured and Unpaid Bonds.....	10,000.00	57,200.00	67,200.00
Matured and Unpaid Bond Coupons.....	16,010.25	86,255.00	102,265.25
Totals (Per Controller).....	<u>\$6,616,109.36</u>	<u>\$ 1,806,593.81</u>	<u>\$ 8,422,703.17</u>

CASH AND CASH ITEMS ON HAND \$1,335,663.74

The \$1,335,663.74 consisted of:

Item	Amount	Audit Comment
Coin and Currency	\$ 666,321.75	Verified by count.
Checks on Hand	669,166.95	Appeared in order; deposited in bank on 7-1-53 per deposit receipts.
Due From Clearing House	31.50	An overpayment adjusted on 7-1-53.
Special Deposit (Health Service System)	143.54	Redeposited to System's account in Bank of America on 7-1-53.
Total	<u>\$1,335,663.74</u>	

CASH IN BANKS—\$90,594,501.97.

Cash confirmed directly to be on deposit at the close of business June 30, 1953, in the total of \$91,562,191.06, was reconciled with balances reflected on the Treasurer's records in the total of \$90,594,501.97, consisting of \$52,880,000.00 in Inactive accounts, and \$37,714,501.97 in Active accounts, in banks as follows:

Bank	Deposits		Total	Per Cent
	Inactive	Active		
American Trust Co.....	\$ 4,000,000.00	\$ 3,654,840.34	\$ 7,654,840.34	8.45%
Anglo Calif. National Bank.....	7,375,000.00	4,800,844.46	12,175,844.46	13.44%
Bank of America.....	26,355,000.00	14,140,948.38	40,495,948.38	44.71%
Bank of Canton.....	500,000.00	500,000.00	1,000,000.00	1.10%
Bank of California.....	4,250,000.00	4,250,000.00	8,500,000.00	9.38%
Bank of Montreal.....	500,000.00	500,000.00	1,000,000.00	1.10%
Bank of Tokyo.....	250,000.00	250,000.00	500,000.00	.55%
Canadian Bank of Commerce.....	650,000.00	650,000.00	1,300,000.00	1.43%
Crocker First National Bank.....	1,500,000.00	1,000,000.00	2,500,000.00	2.76%
Pacific National Bank.....	750,000.00	750,000.00	1,500,000.00	1.66%
San Francisco Bank.....	2,500,000.00	3,000,000.00	5,500,000.00	6.07%
Sumitomo Bank.....	250,000.00	250,000.00	500,000.00	.55%
Wells Fargo Bank & Union Trust.....	4,000,000.00	3,967,868.79	7,967,868.79	8.80%
Totals.....	\$52,880,000.00	\$37,714,501.97	\$90,594,501.97	100.00%
Ratio of Deposits.....	58.37%	41.63%	100.00%	

Resolution 3469 of the Board of Supervisors, adopted August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law, for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active and inactive accounts.

Inactive accounts in the total of \$52,880,000.00 are represented by Certificates of Deposit, in agreement with the Treasurer's ledger accounts and the banks' confirmations. Interest earnings on inactive accounts during 1952-1953 were at the rate of 1% on 30 days' notice and 1¼% on 90 days' notice, and hereinafter discussed under "Revenues." All inactive deposit accounts are maintained in compliance with Government Code Section 53643, which reads:

"53643. Term deposits: Maximum term. The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository. The term shall not exceed one year."

The Active balances of \$37,714,501.97 were reconciled with \$38,682,191.06 confirmed to be on deposit by the banks. The difference of \$967,689.09 consisted of currently dated outstanding items, except one check of \$50.00 dated December 20, 1944, covering a refund of Municipal Court Bail. City Attorney's opinion of December 1, 1949, indicates that this item may not be cleared from the Treasurer's records for a period of 10 years, pursuant to provisions of Political Code Section 4087B.

The amounts on deposit with the banks as at June 30, 1953, are within the limitation specified in Government Code Section 53638, which reads:

"53638. Maximum deposit. The deposit shall not exceed the paid-up capital, exclusive of reserve and surplus, of any depository."

Exhibit A-1 of "Detailed Report" reflects deposits of \$91,562,191.06, and the market value (\$111,052,845.98) and face value (\$113,563,000.00) of related collateral securities, which are hereinafter separately discussed.

UNITED STATES BONDS (BAIL DEPOSITS)—\$108,900.00

United States Bonds having a par value of \$108,900.00, representing amounts with the Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurer and County records. Of this amount, Court Orders for the release of \$7,050.00 par value of the bonds, representing 33 deposits, were validated by the Controller for release or forfeiture, but were not presented to the Treasurer for payment up to June 30, 1953, including 9 deposits validated for release prior to June 30, 1949.

DEPOSITS AFTER JUNE 30, 1953—\$800,528.48

The \$800,528.48 represents collections by various City and County departments pertaining to transactions of the fiscal year 1952-1953, which were deposited with the Treasurer in July, 1953, as follows:

July 1, 1953	\$760,045.79
July 2, 1953	10,869.75
July 3, 1953	29,612.94
	<u>\$800,528.48</u>

TREASURER'S CASH AND CASH ITEMS — \$92,839,594.19

The Treasurer's cash and cash items in the total of \$92,839,594.19 were detailed by individual funds and reconciled as to transactions for the fiscal year 1952-1953. A comparative summary by fund classifications follows:

CURRENT FUNDS:

	June 30, 1953	June 30, 1952
General City Funds.....	\$33,048,559.50-(1)	\$36,660,971.34-(1)
Public Service Enterprises.....	8,853,391.05	6,970,412.11
General City-Bond Interest Funds.....	16,010.25	35,159.13
Public Service Enterprises—Bond Interest Funds.....	861,255.00	912,061.75
General City-Bond Redemption Funds.....	10,000.00	3,000.00
Public Service Enterprises-Bond Redemption Funds...	2,057,200.00	2,072,000.00
TOTAL CURRENT FUNDS	\$44,846,415.80	\$46,653,604.33

CAPITAL FUNDS:

General City Funds.....	20,971,793.75	25,276,356.19
Public Service Enterprises.....	20,247,166.28	19,980,511.94
TOTAL CAPITAL FUNDS.....	41,218,960.03	45,256,868.13

SPECIAL AND TRUST FUNDS:

Private Trusts	1,929,900.13	1,714,520.06
Public Trusts	3,978,454.41	5,345,823.78
Assessment and Redemption Funds.....	12,343.55	12,343.55
Agency Funds	853,520.27	712,666.32
TOTAL SPECIAL AND TRUST FUNDS.....	6,774,218.36	7,985,353.71
TOTALS.....	\$92,839,594.19	\$99,895,826.17

(1)—Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,233.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES — PAR VALUE — \$239,992,214.00

Securities in the custody of the Treasurer were examined and verified as hereinafter reported. All securities as summarized below, except collateral securities deposited by banks, are held in the joint custody vault of the Treasurer and the Controller. The total par value of securities charged to the Treasurer as at June 30, 1953, is compared with the Controller's book values, as follows:

CHARGED BY THE CONTROLLER

BONDS:

	Treasurer's Par Value	Controller's Book Value
Employees' Retirement Fund.....	\$125,953,975.00	\$126,319,203.73
Bequest and Trust Funds.....	361,000.00	362,289.38
Deposits on Leases.....	112,750.00	112,750.00
Miscellaneous.....	1,450.00	1,450.00
	<u>126,429,175.00</u>	<u>126,795,693.11</u>

CORPORATE STOCK:

Bequest Funds.....	39.00	2,094.25
	<u>\$126,429,214.00</u>	<u>\$126,797,787.36</u>

NOT CHARGED BY THE CONTROLLER

	Par Value	Market Value
Collateral Securities (Bonds).....	\$113,563,000.00	\$111,052,845.98

TOTAL SECURITIES ACCOUNTED FOR BY

THE TREASURER, JUNE 30, 1953.....	\$239,992,214.00	\$237,850,633.34
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Employees' Retirement Fund—Par Value Bonds—\$125,953,975.00

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1953, in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and reports to the treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports, and transmitted to the Employees' Retirement Board, as requested in memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of \$125,953,975.00 of bonds, on hand with the Treasurer, was confirmed by the Employees' Retirement System, and in agreement with the Controller's Security Ledger Accounts.

Transactions during the fiscal year 1952-1953 are summarized at par values from the Controller's records as follows:

	Par Value Bonds
Bonds on hand June 30, 1953, per prior annual audit report	\$108,674,462.50
Add: Purchased during 1952-1953.....	17,437,000.00
	<u>126,111,462.50</u>
Less: Bonds sold, called or matured in 1952-1953	157,487.50
Balance on hand June 30, 1953.....	<u>\$125,953,975.00</u>

Bequest and Trust Funds—\$361,000.00 Par Value Bonds

The above bonds with unmatured interest coupons attached were examined and verified by the Controller's records.

The status of Bequest and Trust Funds has not changed during the fiscal year. The collection of interest on the above bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

Deposit on Leases—\$112,750.00 Par Value Bonds

Security on various leases of City and County property is represented by deposits of U. S. Treasury Bonds, par value of \$107,750.00, and \$5,000.00 par value 1945—San Francisco Airport Bonds. The deposits conform to provisions of related leases and amounts reflected on the Controller's records.

Miscellaneous Deposits—\$1,450.00—U. S. Savings Bonds

The above represents deposits of U. S. Savings Bonds, face value \$1,450.00, with the Treasurer for safekeeping by the following departments:

		AUTHORITY
County Clerk—Estate of Henry J. Byrne.....	\$1,425.00	Sup. Ct. Action 196879
Park and Recreation—North Beach Playground.....	25.00	Bd. of Sup. Res. 12022
Total (In Agreement with Controller's Book Value)	<u>\$1,450.00</u>	

Collateral Securities—Par Value \$113,563,000.00

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1953, were examined and verified by direct confirmation. The total par value of \$113,563,000.00 was in agreement with the Treasurer's Security Register and bank ledgers. These securities consisted of Federal, State or other Government Bonds of the type required by Government Code Section 53651; and were approved by the Treasurer and the City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities had a market value of \$111,052,845.98 at June 30, 1953, to secure the \$91,562,191.06 on deposit on that date. The \$111,052,845.98 was at least 10 per cent in excess of deposits which did not exceed the face value of the collateral, in conformity with Government Code Section 53657.

The individual balances on deposit in banks, the par and market value of collateral securities, and the percentage of market value in excess of the bank deposit, are detailed in Exhibit A-1 of "Detailed Report."

Other Deposits—Corporate Stock

Other securities examined consisted of corporate stock on deposit with the Treasurer as part of the assets of the following bequest funds:

	Treasurer's Record (Par Value)	Controller's Book Value
August Brunetti Bequest:		
Bank of America N. T. & S. A.—2 Shares Common Stock.....	\$25.00	\$ 36.50
Transamerica Corporation—7 Shares Capital Stock	14.00	37.75
Llewella F. Lewis Bequest:		
Smart and Final Company—400 Shares Common Stock	No Par	2,000.00
Total	<u>\$39.00</u>	<u>\$2,094.25</u>

Other Miscellaneous assets and documents in the joint custody vault, having no book value, were examined as detailed in Exhibit A-3 of "Detailed Report."

UNSOLD CITY AND COUNTY BONDS—\$30,910,000.00

Unsold (Unissued) City and County Bonds at June 30, 1953 amounted to \$30,910,000.00, which represents the remainder from issues totaling \$147,490,000.00 authorized by the electorate in amounts and on dates indicated below:

	Total Authorized	SOLD		Unsold June 30, 1953
		Prior to 1952-1953	During 1952-1953	
Authorized Nov. 4, 1947				
Street Improvement	\$ 22,850,000	\$13,900,000	\$ 1,000,000	\$ 7,950,000
Hetch Hetchy Water.....	25,000,000	23,300,000	1,700,000	.....
Recreation.....	12,000,000	5,730,000	2,500,000	3,770,000
Off-Street Parking.....	5,000,000	1,000,000	.....	4,000,000
Authorized June 1, 1948				
Sewage Treatment.....	15,000,000	12,550,000	.....	2,450,000
Authorized Nov. 2, 1948				
Schools.....	48,890,000	26,100,000	14,800,000	7,990,000
Authorized Nov. 8, 1949				
Airport.....	10,000,000	9,000,000	1,000,000	.....
Cherry Valley Dam.....	4,000,000	1,000,000	3,000,000	.....
Authorized Nov. 4, 1952				
Firchouse.....	4,750,000	.....	.....	4,750,000
	<u>\$147,490,000</u>	<u>\$92,580,000</u>	<u>\$24,000,000 (1)</u>	<u>\$30,910,000</u>

(1)—Includes \$9,000,000 bonds sold June 29, 1953 by the Board of Supervisors, which bonds were not yet printed at June 30, 1953, and which bonds are dated August 1, 1953.

There were no printed unsold bonds on hand. The amount of \$30,910,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of bonds only when a sale has been authorized by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT—NEW YORK

Bill No. 1233, Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides for the rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1953, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York. Compensation of \$13,252.58, paid in quarterly installments for the year was properly computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1952-1953
Bonds	\$ 9,983,400.00	1/20 of 1%	\$ 4,991.70
Coupons (206522)	2,699,865.00	4¢ each	8,260.88
	<u>\$12,683,265.00</u>		<u>\$13,252.58 (1)</u>

(1)—Includes \$1,911.13 for the 4th quarter, paid after June 30, 1953.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 1, 1942. In addition, bonds were purchased for employees upon the receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County purposes during the fiscal year 1952-1953 amounted to \$560,475.00, as compared to \$549,282.30 for the previous year. Receipts on file evidence that all bonds purchased during the fiscal year were issued to authorized departmental representatives.

Cash on hand June 30, 1953, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$36,340.42, which was in agreement with the balance in Controller's Private Trust General Ledger Account "War Bonds." Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES:

Revenues, derived through the operations of the Treasurer's Office, exceeded expenditures and encumbrances for that office by \$482,200.16, for 1952-1953, as compared with the excess at \$491,023.14 for 1951-1952, summarized as follows:

	1952-1953	1951-1952
Revenues:		
Interest Earned on Inactive Bank Deposits.....	\$564,398.07	\$561,932.81
Commission on Inheritance Tax Collections.....	31,733.98	39,202.02
Duplicate "Inheritance Tax Receipt" Fees.....	111.00	89.50
Conscience Money	237.11	534.00
Total Revenues	596,480.16	601,758.33
Expenditures and Encumbrances:		
Per Controller's Appropriation Accounts.....	114,280.00	110,735.19
Revenues in excess of expenditures and encumbrances.....	\$482,200.16	\$491,023.14

Comments relative to items appearing in the above summary follow:

Interest Earned on Inactive Bank Deposits—\$564,398.07

Interest earned in 1952-1953, in the total of \$564,398.07, as recorded by the Treasurer, was in agreement with deposits of interest as recorded by the Controller; computed at rates provided by agreements with depositories; and on the basis of average daily balances on deposit in inactive accounts, paid quarterly, in accordance with Government Code Section 53645, summarized and compared as follows:

Rates of Interest	Conditions	Interest Received	
		1952-1953	1951-1952
1%	On deposits, callable on 30 days' notice, except the Canton Bank, which required 90 days' notice.....	\$347,509.74	\$375,953.07
1¼%	On deposits callable on 90 days' notice.....	216,888.33	185,979.71
	Totals Earned	\$564,398.07	\$561,932.81

Distribution of the 1952-1953 Interest Earned is compared as follows:

Funds Credited:	1952-1953 Budget Estimates	(Interest Distributed)	
		1952-1953	1951-1952
General Fund.....	\$500,000.00	\$526,102.01	\$529,506.81
Municipal Railway.....	10,000.00	20,090.61	13,256.61
Total Unapportioned Interest.....	510,000.00	546,192.62	544,763.42
Water Operating.....	15,000.00	16,831.77	16,898.25
Islais Creek Reclamation District.....			200.00
State-County Fair.....		1,333.68	—
Total Earnings for the Fiscal Year.....	\$525,000.00	\$564,398.07	\$561,932.81

Commissions on Inheritance Tax Collections—\$31,733.98

The inheritance tax commissions of \$31,733.98 covers the 12 months of June 1952 through May 1953, and resulted from settlements with the State during 1952-1953, summarized from the Treasurer's records as follows:

Total Collections		\$3,264,718.15
Less Disbursements:		
Payments to the State	\$3,070,171.31	
Refunds	147,726.23	
Appraiser's Fees	15,086.63	
		<u>\$3,232,984.17</u>
Commissions Earned by Treasurer		<u>\$ 31,733.98</u>

Accounts, maintained by the Treasurer for inheritance tax purposes, are recorded on State Controller's prenumbered forms, and are subject to settlement every two months, and to audit by representatives of the State. Such audit was not duplicated for this report.

The total collections of \$3,264,718.15 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, Refunds, Appraiser's Fees, and Commissions Earned by the Treasurer were reconciled with expenditures reflected in related Controller's appropriation accounts.

Commissions earned by the Treasurer in the total of \$31,734.00 for 1952-1953, were confirmed direct to this office by the State Controller, and is within the \$40,000.00 maximum commission that may be retained by a treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

Duplicate Inheritance Tax Receipt Fees, and Safe Deposit Box Examination Fees \$111.00

A fifty cent fee for a "Duplicate Inheritance Tax Receipt," and a one dollar fee for "Listing Contents of Safe Deposit Box" is charged by the Treasurer in accordance with Sections 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

Conscience Money—\$237.11

The \$237.11 represents remittances from unidentified sources, deposited with the Treasurer as conscience money.

Expenditures and Encumbrances—\$114,280.00

Expenditures and encumbrances from appropriations to the Treasurer's office for 1952-1953, totaling \$114,280.00, compare with budgeted appropriations (as modified) of \$115,438.07, summarized from Controller's records as follows:

	Appropriations As Modified	Expenditures and Encumbrances
Permanent Salaries	\$ 96,008.07	\$ 95,683.52
Allowance for Overtime	775.00	755.38
Contractual Services	2,585.00	2,169.07
Fiscal Agent (National City Bank, N. Y.)	13,325.00	13,325.00
Materials and Supplies	2,050.00	1,881.12
Equipment	695.00	465.91
Totals	<u>\$115,438.07</u>	<u>\$114,280.00</u>

Expenditures and encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated for this report.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the first year is reflected in Exhibit B of "Detailed Report."

COMMENT

The records maintained in the Treasurer's office appear to be in order and systematically arranged to furnish the data needed for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during this assignment is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

MARTIN W. JUDNICH

B14 Senior Accountant (Field Audits)

TREASURER'S OFFICE
EXHIBIT A
SUMMARY OF CASH, SECURITIES AND OTHER
DEPOSITS

	June 30th	
	1953	1952
CASH AND CASH ITEMS		
Cash and Cash Items on Hand:		
Coin and currency	\$ 666,321.75	\$ 687,418.65
Checks on hand for deposit.....	669,166.95	289,727.46
Due from Clearing House.....	31.50	480.37
Special Deposit—Health Service System.....	143.54	.....
	<u>1,335,663.74</u>	<u>977,626.48</u>
Cash on Deposit in Banks:		
Active Accounts.....	37,714,501.97	46,362,475.87
Inactive Accounts.....	52,880,000.00	51,825,000.00
	<u>90,594,501.97</u>	<u>98,187,475.87</u>
Cash Received After June 30th and Applied to Fiscal Year under Review	800,528.48	635,873.82
United States Bonds (Par Value).....	108,900.00	94,850.00
Total Cash and Cash Items.....	<u>\$ 92,839,594.19</u>	<u>\$ 99,895,826.17</u>

SECURITIES

Bonds (Par Value)		
Collateral from Banks.....	\$113,563,000.00	\$111,409,000.00
Employees' Retirement Fund.....	125,953,975.00	108,674,462.50
Bequest Funds and Miscellaneous Deposits.....	347,450.00	346,000.00
Trust Funds.....	15,000.00	15,000.00
Deposits on Leases.....	112,750.00	111,250.00
Total Securities.....	<u>\$239,992,175.00</u>	<u>\$220,555,712.50</u>
Corporate Stock (Other Deposits)		
Bequest Funds	39.00	39.00
Total Securities.....	<u>\$239,992,214.00</u>	<u>\$220,555,751.50</u>
TOTAL TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES, AND OTHER DEPOSITS.....	<u>\$332,831,808.19</u>	<u>\$320,451,577.67</u>

Airport Department

SAN FRANCISCO AIRPORT — SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1953

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

October 30, 1953

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT
San Francisco Airport — San Mateo County
Examination of Accounts
For the Year Ended June 30, 1953

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

Exhibit A—Balance Sheet, June 30, 1953.

Exhibit B—Statement of Surplus for the year ended June 30, 1953.

Exhibit C—Statement of Income and Expense for the years ended June 30, 1953 and June 30, 1952.

Exhibit D—Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying financial statements present fairly the financial position of the San Francisco Airport at June 30, 1953, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

NATHAN B. COOPER
Supervisor, Utility Audits

BALANCE SHEET

Fixed Capital in Service (net)—\$36,049,413.65

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereon.

	In Service	Accrued Depreciation	Net Book Value
Balance, June 30, 1952.....	\$40,793,541.99	\$5,631,775.61	\$35,161,766.38
Additions and Betterments.....	1,710,350.65	811,347.59 (1)	899,003.06
Adjustment of prior years depreciation expense.....		10.26	—10.26
Total.....	\$42,503,892.64	\$6,443,133.46	\$36,060,759.18
Retirements.....	—40,231.63	—32,834.55	—7,397.08
Reimbursement by 1949 Bond Fund of expenditure for assessment on land paid by Operating Fund in 1952-53.....	—3,948.45 (2)		—3,948.15
Balance, June 30, 1953.....	\$42,459,712.56	\$6,410,298.91	\$36,049,413.65

(1) Provision for the year charged to operation expenses.

(2) Was included as an addition in Operation Fund for 1951-1952; is now included as addition in 1945 Airport Bond Fund.

Additions and Betterments—\$1,710,350.65

Additions to and betterments of fixed capital in service were financed through the 1945 and 1949 Bond Funds and the Special Aviation Fund, as follows:

Land.....	\$ 7,362.90
Equipment.....	2,909.19 (1)
Landing Area.....	1,172,462.64
Utilities, roads.....	138,482.18
Buildings.....	389,133.74
Total additions and betterments.....	\$1,710,350.65

(1) Special Aviation Fund.

Retirements—\$40,231.63

Retirements were as follows:

	Cost	Accrued Depreciation	Addition and (—) Deduction To Income
Dairy buildings acquired with land purchased from Mills Estate.....	\$32,500.00	\$32,500.00	
Equipment.....	401.94	334.55	(—) 67.39
Land.....	7,329.69		19,602.31
Total.....	\$40,231.63	\$32,834.55	\$19,534.92

Fixed Capital under Construction—\$5,373,683.40

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1952.....		\$2,119,748.66
Additions:		
1945 Bond Fund.....	\$ 225,172.58	
1949 Bond Fund.....	167,771.21	
Federal Airport Project.....	<u>4,568,432.41</u>	4,961,376.20
Total.....		<u>\$7,081,124.86</u>
Transferred to Fixed Capital in Service.....		<u>1,707,441.46</u>
Balance, June 30, 1953.....		<u><u>\$5,373,683.40</u></u>

All of the transactions in this account were financed by the 1945 and 1949 Bond Fund and the Federal Airport Project except that charges for interest during construction, which are in relation to the 1945 and 1949 Bond Funds, are allocations of the interest budgeted in the Airport Operating Fund.

The significant construction features in progress were

- Terminal building
- Concourse for the terminal building
- Utility extensions in the terminal building area
- Airmail and air cargo building
- Service building
- Trestles for approach lighting system
- Reconstruction of apron at hangars 1, 2, 3 and 4.

Cash on Deposit with Treasurer—\$8,976,665.98

Cash on deposit with the Treasurer was confirmed by reference to report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1953, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund.....	\$ 295,840.76
Federal airport project fund.....	5,354,813.36
Special aviation fund.....	26,209.53
1945 Airport bond fund.....	1,243,046.55
1949 Airport bond fund.....	2,053,217.03
1945 Bond interest fund—1¼% Series C.....	2,125.00
—1½% Series C.....	487.50
—1% Series E.....	250.00
1949 Bond interest fund—1¼% Series A.....	62.50
—1¾% Series B.....	43.75
—1½% Series D.....	<u>570.00</u>
Total.....	<u><u>\$8,976,665.98</u></u>

Cash Revolving Fund—\$2,500.00

On June 2, 1953, we reported the verification of the principal of the fund as at May 23, 1953.

Accounts Receivable, Federal Grants—\$518,833.53

The Mayor and Public Utilities Commission have accepted offers by the Federal Government acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco Airport in the amount of \$1,222,478 of which \$1,413,644.47 had been received at June 30, 1953.

Accounts Receivable, Revenues Accrued (net)—\$239,814.39

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$113,073.02 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

San Mateo County.....		\$ 1,802.90
Portion of unrefunded aircraft fuel taxes paid to San Mateo County by State of California.....		
Trans-World Airlines.....		18,379.92
Ramp charges.....	\$11,179.92	
Professional fire protective service.....	7,200.00	
Subject of litigation—U. S. District Court Action No. 30326.....		
United Air Lines.....		13,512.13
Rental of ticket counter space.....	6,312.13	
Professional fire protective service.....	7,200.00	
Western Air Lines.....		72,178.07
Take-off charges—Difference between rates effective Jan. 1, 1951 vs. prior rates.....	60,329.52	
Public address system charges and underpayments for flight operations Sept. 1, 1946—April 30, 1949.....	4,648.55	
Professional fire protective service.....	7,200.00	
Subject of litigation—San Francisco Superior Court Action No. 414510.....		
Pan American Airways, Inc.....		7,200.00
Professional fire protective service.....		
Total.....		<u>\$113,073.02</u>

Changes in the reserve for doubtful accounts during the year were as follows:

Balance June 30, 1952.....	\$18,318.95
Provision for doubtful accounts.....	4,800.00
Collection of accounts previously written off.....	3.78
Total.....	<u>\$23,122.73</u>
Less accounts charged off as uncollectible.....	741.86
Balance June 30, 1953.....	<u>\$22,380.87</u>

Interfund Accounts—\$7,880.79

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies—\$7,839.76

Physical inventory of materials and supplies was taken by Airport employees as at May 25, 1953. We tested the quantities and the mathematical accuracy and the pricing of the inventory.

Commitments—\$5,321,521.14

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1953. The contra liability is shown under accounts payable-commitments.

Other Deferred Items—\$14,766.82

Other deferred items represents primarily prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1953.

Bonded Debt—\$17,288,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

Issue	Authorized	Authorized and Sold	Redeemed Prior Years	Redeemed 1952-1953	Total Bonded Debt
1933	\$ 260,000	\$ 260,000	\$ 260,000	.....	.....
1938	2,850,000	2,850,000	2,850,000	.....	.....
1945	20,000,000	20,000,000	10,343,000	\$1,108,000	\$ 8,549,000
1949	10,000,000	10,000,000	590,000	671,000	8,739,000
Total	\$33,110,000	\$33,110,000	\$14,043,000	\$1,779,000	\$17,288,000

The outstanding bonds mature serially as follows:

Fiscal Year	Issue		Total
	1945	1949	
1953-54.....	\$1,208,000	\$ 696,000	\$ 1,904,000
1954-55.....	1,875,000	254,000	2,129,000
1955-56.....	1,875,000	254,000	2,129,000
1956-57.....	2,125,000	254,000	2,379,000
1957-58.....	174,000	1,534,000	1,708,000
1958-59.....	174,000	1,534,000	1,708,000
1959-60.....	174,000	1,534,000	1,708,000
1960-61.....	174,000	634,000	808,000
1961-62.....	174,000	409,000	583,000
1962-63.....	173,000	409,000	582,000
1963-64.....	173,000	409,000	582,000
1964-65.....	173,000	409,000	582,000
1965-66.....	77,000	409,000	486,000
Total.....	\$8,549,000	\$8,739,000	\$17,288,000

Bond Interest—\$49,536.66

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable—\$5,863,635.22

Accounts payable have been verified for prior encumbrance in accordance with the provisions of Charter Section 86.

Interfund Accounts—\$301,435.29

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits—\$45,928.63

Deferred credits represent primarily rentals and services billed or paid in advance, unamortized bond premiums, cash collections in connection with telegraph and petroleum agency trusts from the last settlement date in June 1953 to June 30, 1953, claim for unrefunded aircraft fuel taxes, unbilled interdepartmental work orders (estimated expense booked in 1952-1953) and requests for direct payment by the Controller.

Surplus—\$32,964,383.66

The summary of the changes in this account for the fiscal year 1952-1953 shown in Exhibit B is in such detail as to require no further comments.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report.

Date of Accident	Claimant	Amount Claimed	Date Filed with Controller	Type of Claim
1-11-51	John S. Broome..... (1)	\$ 305.38	3- 8-51	Property damage
6-11-52	Pan American Airways.....	528.64	7-21-52	Property damage
8-15-52	Dorothy T. Nielsen..... (2)	3.35	10- 6-52	Property damage
12- 1-52	Earl Marson..... (3)	973.61	1- 7-53	Property damage
10- 6 to 12-28-52	Southwest Airways..... (4)	138.29	2-18-53	Damages
12-19-52	Vernic Erickson..... (5)	25,000.00	2-11-53	Personal injury
5-29-53	Don Lochner..... (2)	15.00	7- 1-53	Property damage
6- 1-53	Robert A. Lenihan..... (4)	10,000.00	7- 1-53	Personal injury

- (1) Per Airport's insurance carrier—"Denied"
- (2) Per Airport's insurance carrier—"Pending no claim developed"
- (3) Per Airport's insurance carrier—"City not liable"
- (4) Per Airport's insurance carrier—"Closed—no payment"
- (5) Mrs. Erickson has filed suit; Superior Court Action No. 427286. Case still open.

Insurance carrier was notified of the above cited claims.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than as indicated above.

Following is disposition of claims which were included as unsettled in our report of the year ended June 30, 1952.

Date of Accident	Claimant	Amount Claimed	Disposition
5-23-50	San Mateo Airport.....	\$ 329.22	Deputy city attorney considers this claim as closed because claimant had not filed suit within 3 year period prescribed by law.
4-27-51	Lee Grant.....	150.00	\$84.76 paid for settlement (1)
11-10-51	M. J. Wickersham.....	3,000.00	\$400.00 paid for settlement (1)
6-17-52	T. R. Mitchell.....	76.57	\$76.57 paid for settlement (1)

(1) Paid by Airport's insurance carrier.

OPERATIONS

A condensed statement of net income for the year ended June 30, 1953, is set forth below:

Operating revenues:

Air carrier flight operations.....	\$ 340,008.82
Rentals.....	181,356.96
Bulk petroleum deliveries.....	50,657.46
Services, sales, commissions, permits.....	418,468.53
Total.....	<u>\$ 990,491.77</u>

Operating expenses:

Salaries and wages.....	\$ 365,609.13
Other operating costs.....	144,706.68
Maintenance and repairs.....	48,558.37
Fixed charges, including depreciation.....	887,103.96
Total.....	<u>\$1,445,978.14</u>
Operating loss.....	\$ 455,486.37
Bond interest.....	\$116,542.44
Other income.....	<u>49,693.75</u> 66,848.69
Net loss.....	<u>\$ 522,335.06</u>

The increase in operating revenues stems primarily from the increase in aviation activities. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

Included in the revenue above shown is the sum of \$41,422.69 legality for payment of which is disputed by the debtors. Please refer to comments under accounts receivable.

Operating expenses increased over the preceding year principally because of the statutory provisions affecting salaries and wages and pension and retirement allowance related thereto. Personal services comprise in excess of 90% of fire fighting expense.

EXHIBIT A
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
BALANCE SHEET AT JUNE 30, 1953

ASSETS

Fixed Capital:		
In service.....	\$42,459,712.56	
Less reserve for depreciation.....	6,410,298.91	
Net book value.....	\$36,049,413.65	
Under construction.....	5,373,683.40	\$41,423,097.05
Cash:		
On deposit with City and County Treasurer.....	\$ 8,976,665.98	
Revolving Fund.....	2,500.00	8,979,165.98
Accounts Receivable:		
Federal grants.....	\$ 518,833.53	
Revenues accrued and other receivables (net).....	239,814.39	758,647.92
Interfund Accounts:		
Due from general city and county.....	\$ 7,115.59	
Due from other public service enterprises.....	765.20	7,880.79
Deferred Charges:		
Materials and supplies.....	\$ 7,839.76	
Commitments (contra).....	5,321,521.14	
Other deferred items.....	14,766.82	5,344,127.72
Total Assets.....		<u>\$56,512,919.46</u>

LIABILITIES AND SURPLUS

Bonded Debt:		
Maturing within year ending June 30, 1954.....	\$ 1,904,000.00	
Maturing Sept. 1, 1954 through April 1, 1966.....	15,384,000.00	\$17,288,000.00
Bonded Interest:		
Matured coupons not presented for payment.....	\$ 3,538.75	
Accrued, not due.....	45,997.91	49,536.66
Accounts Payable:		
Outstanding warrants.....	\$ 20,749.86	
General creditors.....	589,665.43	
Commitments (contra).....	5,253,219.93	5,863,635.22
Interfund Accounts:		
Due to general city and county.....	\$ 218,271.19	
Due to other public service enterprises.....	14,862.89	
Commitments (contra).....	68,301.21	301,435.29
Deferred Credits.....		45,920.64
Total Liabilities.....		\$23,348,335.80
Surplus—Exhibit B.....		32,964,583.66
Total Liabilities and Surplus.....		<u>\$56,312,919.46</u>

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1953

Surplus, June 30, 1952, annual report of Controller.....		\$31,579,910.11
Add:		
Contributions:		
Ad valorem tax for operating services.....	\$1,604,442.48	
Grants from federal government.....	292,835.00	
State of California—special aviation fund.....	9,531.13	1,906,808.61
Total.....		\$33,486,718.72
Deduct:		
Net Loss—fiscal year 1952-1953.....		522,333.06
Surplus, June 30, 1953.....		<u>\$32,964,383.66</u>

EXHIBIT C
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OPERATING REVENUES:		
Air Carrier Flight Operations:		
Scheduled.....	\$ 316,802.51	\$ 271,602.80
Scheduled feeder lines.....	18,771.22	11,125.31
Non-scheduled	4,435.09	1,122.78
Total Air Carrier Flight Operations.....	\$ 340,008.82	\$ 293,717.93
Rentals:		
Ramp area.....	\$ 10,517.29	\$ 10,226.15
Aircraft outdoor storage.....	8,983.30	7,261.66
Airport property		
Unimproved.....	17,735.24	17,088.79
Paved.....	38,946.79	29,594.99
Expansion area.....	2,671.67	2,445.00
Hangars		
Entire hangars.....	58,278.45	55,200.21
Partial hangars.....	3,145.07	867.20
Passenger terminal building—office space.....	24,579.11	22,780.81
Other buildings and structures.....	16,500.04	12,333.38
Total Rentals.....	\$ 181,356.96	\$ 157,800.59
Bulk Petroleum Deliveries:		
Professional fire service.....	\$ 21,200.00	\$ 19,200.00
Rental of tank farm area.....	4,415.13	3,781.80
Wharfage charges.....	24,052.33	19,097.33
Pipe line licenses.....	990.00	990.00
Total Bulk Petroleum Deliveries.....	\$ 50,657.46	\$ 43,069.13
Services, Sales, Commissions and Permits:		
Public address system.....	\$ 11,563.28	\$ 11,329.35
Restaurant, cafe and newsstand.....	85,301.42	70,219.28
Taxi-cab and limousine permits.....	65,146.58	55,387.22
Parking lot.....	98,971.59	69,910.09
U-Drive.....	49,245.59	29,720.43
Telephone commissions.....	9,024.03	8,144.30
Telegraph commissions.....	21,740.50	17,127.50
Sales of petroleum products.....	53,947.45	59,402.42
Shoe shine stand.....	1,136.10	1,179.64
Vending and weighing machines.....	453.04	391.51
Insurance vending machines.....	9,732.49	4,987.82
Travel agency, air service and sales.....	963.70	900.00
Baggage locker commissions.....	3,228.83	2,031.86
Rest Rooms.....	8,013.93	6,556.25
Total Services, Sales, Commissions and Permits.....	\$ 418,468.53	\$ 337,487.67
TOTAL OPERATING REVENUES.....	\$ 990,491.77	\$ 831,875.31

EXHIBIT C. (Continued)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OPERATING EXPENSES:		
Salaries and Wages:		
General and administrative.....	\$ 38,595.91	\$ 37,797.73
Maintenance and operations.....	327,013.22	308,453.15
Total Salaries and Wages.....	\$ 365,609.13	\$ 346,250.88
Other Costs of Operation:		
Travel expenses and local fares.....	\$ 11,606.28	\$ 11,213.01
Freight, express and drayage.....	34.64	39.03
Use of employees' cars—mileage only.....	9.52	36.54
Storage and care of vehicles.....	.75	
Maintenance and care of office equipment.....	433.23	335.24
Maintenance and care of other equipment.....	78.04	158.83
Gas and electricity.....	16,106.48	18,178.41
Telephone and telegraph.....	\$9,202.92	
Less: Extension service charged to tenants.....	3,835.37	5,367.55
Postage.....	498.94	6,802.49
Printing, advertising, etc.....	483.70	489.32
Newspapers and periodicals.....	647.00	926.29
Janitorial and window washing services:		162.00
Contractual.....	1,195.20	
Refuse disposal.....	1,027.77	1,245.20
Professional and special services.....	14,359.97	602.55
Miscellaneous and contractual services.....	1,869.40	11,884.56
Operating material and supplies.....	14,555.02	2,158.82
Unallocated charges for use of auto-equip. P.U.C.— General Office Expense.....	9,470.24	12,791.29
Fire-fighting expense.....	66,962.95	93.05
Total Other Costs of Operation.....	\$ 144,706.68	57,450.17
Other Costs of Maintenance and Repair:		
Landing area.....	\$ 753.33	\$ 2,049.20
Runways.....	6,021.30	3,077.56
Field lighting equipment.....	1,483.37	518.32
Radio equipment.....	964.80	1,595.28
Hangars.....	297.65	956.84
Administration building.....	2,526.27	2,714.24
Other buildings.....	1,605.51	4,037.29
Automotive equipment.....	12,027.39	8,424.57
Other equipment facilities, furniture and fixtures.....	4,401.22	5,276.19
Parking areas, roads, walks, fences, etc.....	16,899.68	13,430.06
Power distribution system.....	1,577.85	131.32
Total Other Costs Maintenance and Repair.....	\$ 48,558.37	\$ 42,210.87
Fixed Charges:		
Accident compensation—employees.....	\$ 2,558.51	\$ 6,314.72
Automobile insurance.....	1,715.15	1,020.97
Other insurance.....	15,345.49	13,441.53
Pension and retirement allowance.....	43,762.47	38,453.05
Taxes paid.....	\$9,322.28	
Less: Charged to tenants.....	1,792.53	7,529.75
Depreciation.....	811,347.59	7,333.39
Doubtful accounts.....	4,800.00	832,193.45
Injuries and damages.....	45.00	4,800.00
Total Fixed Charges.....	\$ 887,103.96	\$ 903,915.21
TOTAL OPERATING EXPENSES.....	\$1,445,978.14	\$1,416,943.76
OPERATING LOSS.....	\$ 455,486.37	\$ 585,068.45

EXHIBIT C (Concluded)
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

	June 30, 1953	June 30, 1952
OTHER INCOME NET:		
Resale of electric energy.....	\$ 182,898.73	\$ 168,593.83
Less cost thereof.....	156,291.08	138,130.06
Remainder.....	\$ 26,607.45	\$ 30,463.77
Miscellaneous—Net.....	2,832.63	1,095.41
Total Other Income.....	\$ 29,440.08	\$ 31,559.18
Sub-total.....	\$ 426,046.29	\$ 553,152.29
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense.....	\$ 116,542.44	\$ 131,091.66
Miscellaneous additions to and deductions from income.....	—20,253.67	13,151.14
Total Other Expense.....	\$ 96,288.77	\$ 149,242.80
NET LOSS.....	\$ 522,335.06	\$ 702,375.10

EXHIBIT D
AIRPORT DEPARTMENT
SAN FRANCISCO AIRPORT, SAN MATEO COUNTY
STATISTICS
YEARS ENDED JUNE 30, 1953 AND JUNE 30, 1952

Comparative report of aircraft movements and traffic, including domestic and international activities.

	June 30, 1953	June 30, 1952	Increase Decrease (—)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers.....	113,360	104,847	8,513	8.1
Itinerant.....	25,820	18,713	7,107	38.0
Local.....	28,314	26,594	1,720	6.5
Totals.....	167,494	150,154	17,340	11.6

Number of passengers, as reported by air carriers:

On and off.....	1,876,858	1,596,478	280,380	17.6
Through (no stopovers).....	510,479	466,712	43,767	9.4
Totals in and out (1).....	2,387,337	2,063,190	324,147	15.7

Air mail, express and freight, in pounds on and off, as reported by Post Office Dept., Railway Express Agency and various air lines: (1)

Air mail.....	29,004,176	31,837,156	—2,832,980	—8.9
Express.....	6,154,617	5,641,483	513,134	9.1
Freight.....	38,675,414	36,873,116	1,802,298	4.9
Totals.....	73,834,207	74,351,755	—517,548	—0.7

Note:

(1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.



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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1954



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CITY AND COUNTY OF SAN FRANCISCO



Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1954



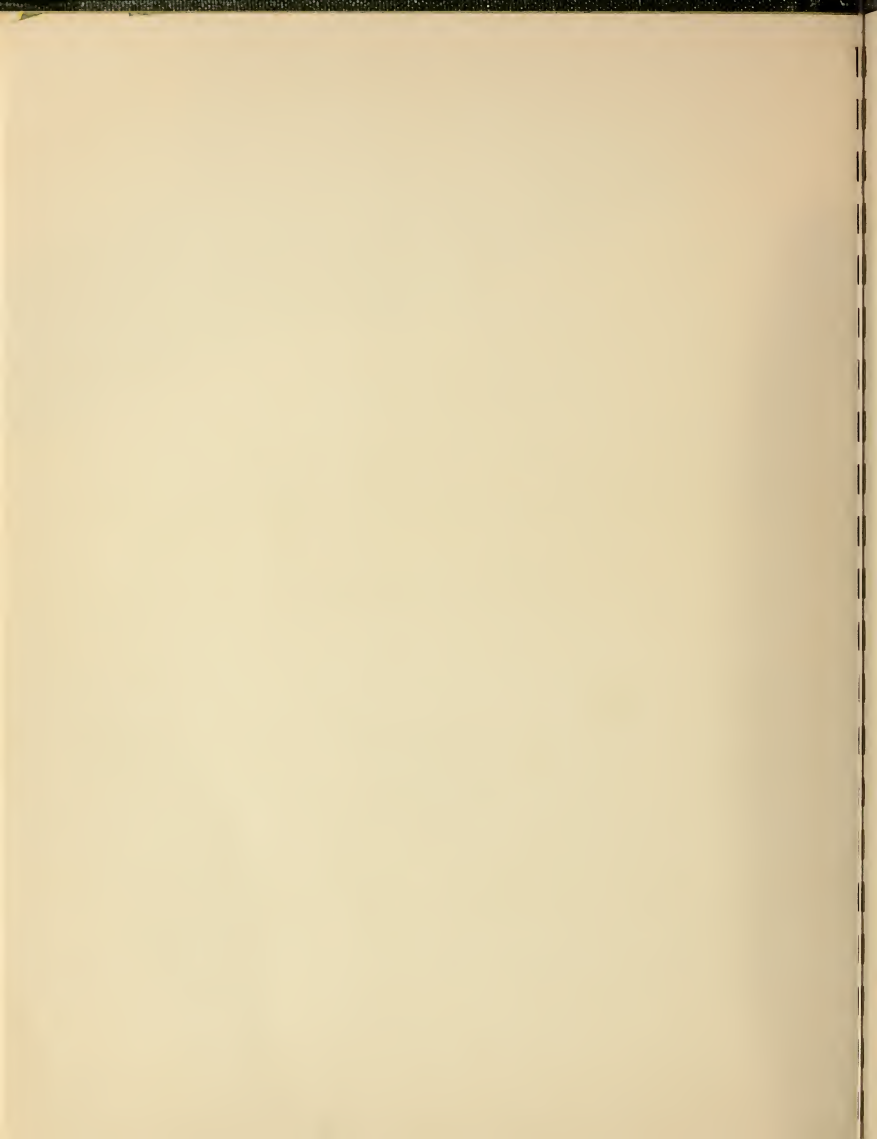


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By Price Waterhouse & Co.

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By Touche, Niven, Bailey & Smart

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By L. H. Penney & Co.

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By Farquhar & Heimbucher

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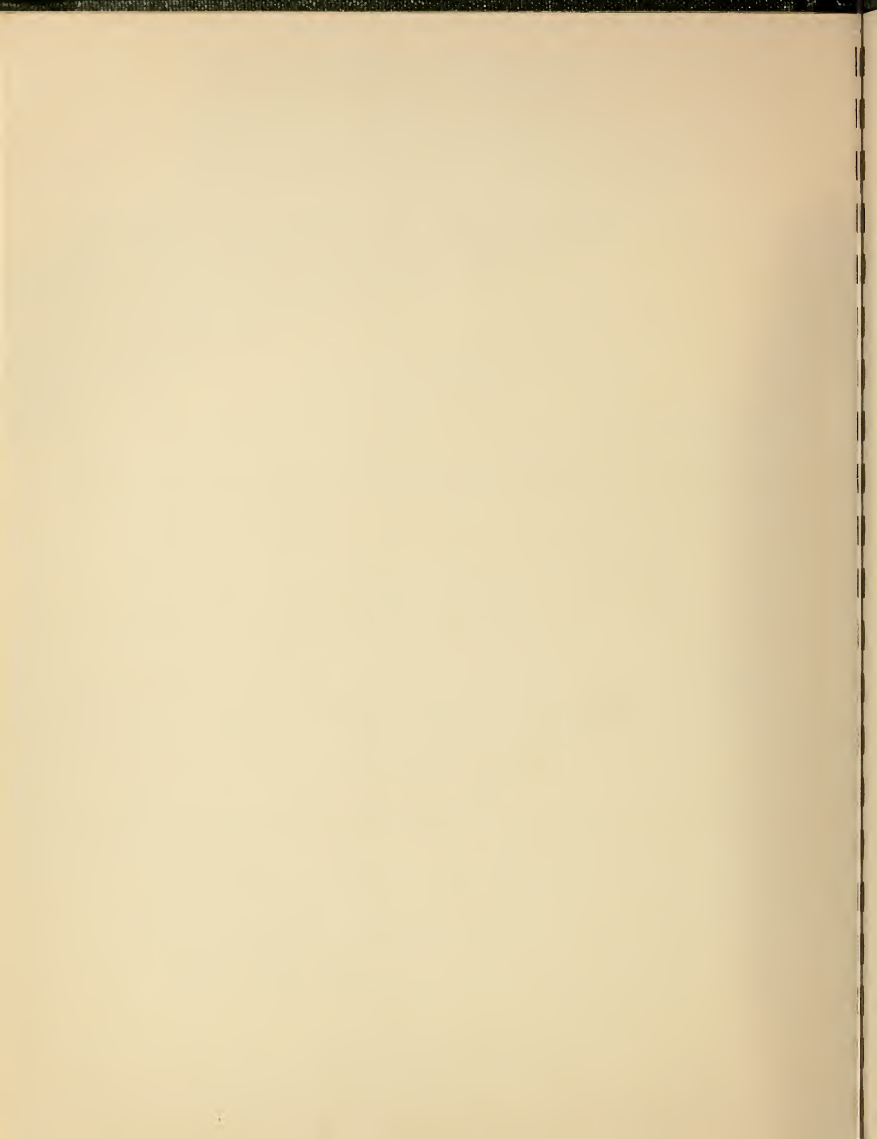
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JUNE 30, 1954

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

September 30, 1954.

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco.

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1954, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Price Waterhouse & Co., by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Touche, Niven, Bailey & Smart.

Municipal Railway, by L. H. Penny & Co.

San Francisco School Department, by Lindquist, Von Husen & Joyce.

Employees Retirement System, by Farquhar & Heimbucher.

As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,

HARRY D. ROSS

CONTROLLER

CITY AND COUNTY OF
SAN FRANCISCO

ORGANIZATION CHART
CONTROLLERS OFFICE

CONTROLLER

Centralized financial planning,
control and management, accounting
auditing and systems.

CHIEF ASSISTANT CONTROLLER

GENERAL AUDITS

Monthly audit of Treasurer's Office,
Department of Public Works,
System Design and Installation,
Special Investigations.

UTILITY AUDITS

Audit-System Design & Installation,
Special Investigations-P.U.C. Gen'l.
Office, Bur. of Li. H. Pw., Municipal Ry.,
Water Dept., Hitch Hicky, Water
Supply, Hitch Hicky Power Operatives
Airport, All Fed. Aid Projects

SECRETARIAL STAFF

Correspondence and Reports, Stop
Notices, Assignments, Surety Bonds,
Oaths of Office, Insurance, Personal
Files, Claims, Claims (City and County
Claims Registry, Ordinances and
Regulations, File Control, including
all city contracts

ACCOUNTS-STATISTICS

Proprietary Ledger-Property Ledger
Expense Ledger - Bond Interest and
Redemption audit and control -
Fund Ledger-Share System-
Extension and audit of Tax Rolls

BUDGET CONTROL

Audit and Analysis of budget
estimates and operating budget,
Expenses of Budget Estimates,
Consolidated Budget, Estimated
Revenues, Annual Approp. Ordinance

PAYROLL DIVISION

Audit and preparation of all timecards,
State and Federal income tax records;
Maintain accounting controls over all
payrolls and all authorized deductions;
preparation of Aid rolls and warrants.

LEGAL DIVISION

Interpretation of Law
Proposed Legislation

GENERAL OFFICE

REVENUES
ENCUMBRANCES
DISBURSEMENTS

REVENUES

Revenue Research and Statistics
Approval of deposits with Treasurer
Legislative Control of fee
receipts, budgets and other
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Audit of licenses and fees
Taxes and Assessments
Cash position
Trust Accounts

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Cancellation of
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Work Orders
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AUDIT

Authority
Legality
Specifications
Prices
Extensions
Material
received
reports

VOUCHER WARRANTS

Typing,
numbering
signing
and
mailing

PAYROLL RELEASE

PAYROLL RELEASE

Process and release of
warrants to departments
and banks, timecards
and office of
maintain file for judgments,
power of attorney, "hold,"

SOCIAL SERVICE

AUDIT OF CLAIMS

Needy, Aged
Needy, Blind
Widows Pensions
Feeble Minded
Criminal Inmate
Narcotics
Maintenance
of Minors

APPROPRIATION LEDGER

Assessments
Allotments
Encumbrances
Disbursements

WARRANT REGISTER

Verification of Paid Warrants
Reconciliation of
Outstanding Warrants

Fiscal Years 1944-45 to 1953-54

Revenues through State of California:

*Motor Vehicle Fuel Tax:

1. The first part of the paper is devoted to the study of the properties of the function $f(x)$ defined by the equation

*** Christchurch Christchurch 1000

(14) *Carroll, Carroll*

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)
Departmental Expenditures:										
General Government	\$ 4,604,101.27	\$ 5,121,793.30	\$ 6,193,959.93	\$ 6,925,959.92	\$ 7,585,988.85	\$ 7,828,393	\$ 7,785,286	\$ 8,767,034	\$ 8,539,705	\$ 9,385,669
Public Safety	8,531,317.35	9,147,030.35	10,457,546.70	12,439,310.37	14,325,249.89	15,228,393	15,885,707	17,590,755	18,742,570	20,084,863
Highways	1,283,185.36	1,345,903.46	1,842,717.46	2,199,911.37	2,518,429.44	2,441,429	2,425,429	2,593,434	2,732,830	2,883,430
Sanitation and Waste Removal	1,013,418.90	1,071,950.33	1,375,165.57	1,615,911.13	1,892,336.02	2,088,305	2,123,358	2,569,934	2,567,688	3,266,346
Conservation of Health	3,746,156.85	3,071,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571	7,502,420	7,753,508
Hospitals	9,178,855.23	9,054,016.99	10,177,329.89	11,707,740.52	12,895,990.80	10,882,610	20,859,900	20,821,665	22,233,625	22,027,819
Public Welfare	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48	1,789,253.48
Education	12,895,959.37	12,895,959.37	16,030,288.59	19,138,890.47	21,772,215.21	23,010,062	24,380,045	26,738,540	29,341,754	31,363,599
Schools	503,405.04	509,678.71	654,835.86	695,706.78	772,215.21	802,652	825,926	923,544	935,314	1,045,552
Libraries	3,131,526.97	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,932,813	5,075,479	5,419,246
Recreation										
Total Departmental Expenditures	46,577,509.49	48,402,476.82	58,452,825.60	68,103,337.83	71,102,986.83	76,950,480	88,516,467	95,677,549	101,337,839	108,170,972
Bond Redemptions	2,915,000.00	2,915,000.00	3,115,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,383,000	5,540,000	5,654,000
Bond Interest	1,274,056.66	1,152,044.24	1,031,769.30	959,252.78	1,077,821.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812
Other Interest	20,583.63	47,048.96	21,225.00							
Pensions and Compensation	3,395,339.74	3,919,551.29	4,457,047.00	7,519,358.77	8,285,240.80	10,516,145	10,918,329	11,890,452	12,541,720	13,527,339
Judgments and Losses	95,846.47	17,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789
Support of Public Service Enterprises:										
Hetch Hetchy Project	1,920,207.82	2,079,484.21	6,836,065							
Municipal Water	341,668.90	420,332.69	891,489.22	1,504,236.36	2,632,670.00	2,966,290	2,666,780	2,712,594	1,604,442	1,465,459
Municipal Railway					2,401,249.14		1,062,632	2,394,117	9,000*	
Public Utilities Commission:										
Light, Heat and Power Bureau										
Capital Additions From Revenues	1,043,588.06	2,121,018.17	2,733,964.71	2,998,764.38	3,118,835	28,679	213,740	65,136	1,812	139,379
Assessments	302,113.94	152,717.60	31,188.35	22,893.96		5,034,158	7,297,801	3,621,951	3,447,108	5,777,715
Assessments - Other Civil Divisions	85,905.48	146,192.85	198,210.00	181,598.36	170,342.08	106,165	106,165	303,405	218,896	201,273
Miscellaneous, net	469,271.83	1,526,953.21	2,432,551.38	733,508.34	1,817,305.93	171,825	190,383	169,133	99,000	99,000
Total Expenditures	\$58,355,112.02	\$62,900,768.02	\$73,373,778.17	\$85,085,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,303,977	\$135,730,407

*Denotes Credit.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)
Water Sales	\$8,410,832.59	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574
Operating Expenses:										
Provision for Depreciation	988,986.46	979,233.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.38	970,779	1,077,970
Other Operating Expenses	3,150,174.09	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,680
	4,139,160.55	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620
Profit from Operations	4,271,672.04	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954
Other Income	118,098.52	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093
	4,389,770.56	6,062,915.61	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047
Other Expenses:										
Interest on Bonded Debt	1,381,823.34	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,586.17	986,083	914,115
Other	36,563.64	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058
	1,418,386.98	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173
Net Income	\$2,971,383.58	\$ 4,700,974.89	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)
Power Sales	\$8,444,738.44	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746
Less P. G. & E. Distribution Commission ..	5,939,609.99	.....	.....	.....	.....	.....	.....	.....	.....	.....
	2,505,128.45	3,058,669.80	3,319,004.76	3,392,272.27	3,390,905.66	3,322,439.95	3,439,372.12	4,009,143.65	4,617,981	4,289,746
Standby Charge and Sale of Water to the S. F. Water Dept	661,277.00	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,588,504.63	3,575,046.00	3,445,350.00	3,545,390	3,545,590
	3,166,405.45	3,719,946.80	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336
Operating Expenses:										
Provision for Depreciation	1,647,730.44	1,520,856.59	1,518,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945
Other Operating Expenses	575,028.50	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817
	2,222,758.94	2,928,883.42	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762
Profit from Operations	943,646.51	791,063.38	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574
Other Income	6,060.19	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767
	949,706.70	800,038.86	3,974,968.01	3,564,216.46	3,923,809.91	3,546,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341
Other Expenses:										
Interest on Bonded Debt	2,438,759.37	2,336,295.22	2,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321
Other .....	.....	116,029.64	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....
	2,438,759.37	2,452,324.86	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321
Net Income	\$1,489,052.67*	\$1,652,285.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

FISCAL YEAR ENDED JUNE 30

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Revenues	\$15,119,772.51	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,892,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17
Operating Expenses:										
Depreciation	826,015.55	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97
Other Operating Expenses	12,161,011.97	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18
	12,987,027.52	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15
Profit from Operations	2,132,744.99	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*
Other Income	9,527.18	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31
	2,142,272.17	1,326,274.14	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,655.67*
Other Expenses:										
Interest on Market Street Railway purchase	126,904.11	119,808.08	85,721.02	64,725.99	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt	42,083.33	37,083.33	32,083.34	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08
Other .....	.....	78,085.29	.....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15
	168,987.44	234,976.70	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.25*
Net Income	\$ 1,973,284.73	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,988.93	\$ 882,472.40*

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS
Fiscal Years 1944-45 to 1953-54

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Revenues:										
Landing Charges	\$ 32,565.00	\$ 48,196.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78
Rentals	33,779.35	43,199.02	98,219.64	143,041.93	98,308.75	118,759.03	135,241.60	157,800.59	181,356.96	212,851.71
Other	7,446.56	17,668.14	99,436.73	101,127.58	195,373.44	246,869.66	298,727.32	380,356.80	469,125.99	528,949.11
	73,790.51	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60
Operating Expenses:										
Depreciation	209,406.13	214,777.76	434,979.48	434,958.82	638,043.10	648,646.19	823,339.87	832,193.45	811,347.59	718,388.20
Other Operating Expenses	122,568.44	147,634.22	254,921.49	388,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.55	703,119.80
	331,974.57	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00
Loss from Operations	258,184.06	253,348.27	401,875.23	460,964.74	720,236.45	698,845.10	759,488.97	585,068.45	455,486.37	257,129.40
Other Income	10,552.81	12,727.07	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74
Interest on Bonded Debt	247,631.25	240,621.20	382,941.35	435,056.99	690,051.28	673,491.91	725,763.87	553,132.29	426,046.29	197,537.66
Other Expense	20,959.33	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12
	\$268,590.58	\$257,418.21	\$396,129.91	\$464,360.67	\$796,441.82	\$761,076.44	\$849,145.50	\$702,375.10	\$522,335.06	\$481,785.72
Net Loss										

*Denotes Deduction

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES
FOR THE 10 YEAR PERIOD JULY 1, 1934 to JUNE 30, 1954

	Increase or Decrease During Period			Balances - June 30, 1954		
	Total	Land	Structures & Improvements	Total	Land	Structures & Improvements
GENERAL GOVERNMENT						
Civic Center, Incl. City Hall	\$ 817,380.72	\$ 3,000.00*	\$ 85,098.20	\$ 765,282.52	\$ 9,901,147.96	\$ 2,232,954.63
PUBLIC SAFETY						
Fire Dept.	1,991,062.38	56,952.24	1,325,228.98	608,181.16	696,900.70	10,163,687.24
Police Dept.	292,695.15	8,164.00	103,395.26	824,695.89	763,995.40	2,069,314.88
Dept. of Electricity	68,996.89	-	4,513.23	63,663.66	942,573.13	720,566.63
ROADWAYS						
Streets, Tunnels, Bridges, etc.	32,974,352.79	3,766,846.93	28,957,185.83	250,320.03	96,259,307.91	84,058,896.73
Asphalt Plant	-	-	48,466.39	-	303,578.96	128,846.39
Off-Street Parking	901,376.78	850,051.53	51,325.25	-	901,376.78	51,325.25
SANITATION						
Sewers & Sewage Disposal Plants	35,450,551.03	1,674,985.20	33,197,135.04	278,230.79	57,318,178.57	55,187,471.16
Street Cleaning Dept.	302,112.53	-	-	302,112.53	-	-
Garbage Incinerator	50,000.00*	50,000.00*	-	-	80,142.60	65,142.60
HEALTH CONSERVATION						
Quarantine Hospital	73,540.40	-	19,238.04	54,042.36	1,319,890.36	29,142.00
Civic Center Health Bldg.	197,682.09	575.00*	75.79	197,521.30	1,360,919.81	908,704.20
Excelsior Health Center	180,000*	-	-	-	85,106.04	85,106.04
Other	74,916.08	2,220.00*	73,667.71	3,553.37	364,196.04	145,748.00
HOSPITALS						
San Francisco Hospital	728,230.35	1,136.00*	376,985.86	402,380.49	7,136,219.31	5,459,720.99
Emergency Hospitals	62,169.26	-	-	62,169.26	304,271.23	10,999.70
CHARITIES						
California Honda Home	292,537.20	4,977.85*	139,371.49	158,103.56	5,339,429.61	25,062.15
S. F. Welfare Dept.	372,137.57	137,500.00	162,500.00	72,139.57	385,769.84	44,829.50
CORRECTIONS						
County Jail	16,870.01	-	-	16,870.01	847,924.12	38,156.52
San Quentin Prison - Old	77,829.65	-	8,766.98	69,062.67	344,925.67	10,310.00
Youth Guidance Center	4,314,873.31	50,400.00	4,197,403.04	67,370.27	44,314,873.31	50,400.00
Juvenile Log Cabin Ranch	100,592.73	-	131,235.28	29,357.45	207,393.35	115,110.09
SCHOOLS						
14,512,753.91	4,424,331.10	32,894,081.23	4,189,311.58	93,285,278.92	14,213,961.90	70,864,005.98
LIBRARIES						
452,372.93	7,881.13	366,900.25	77,591.55	3,923,354.12	160,591.13	1,684,372.68
RECREATION						
Playgrounds & Swimming Pools	5,949,266.19	713,752.44	4,912,795.32	262,718.13	10,590,286.39	6,687,729.59
Marine Corps Art Galleries, etc.	306,176.73	-	2,803.56	1,363,273.17	3,186,271.49	1,318,739.18
Marine Corps Art Galleries, etc.	30,126.59	-	1,782.38	5,127,324.78	4,981,184.17	4,981,184.17
Parks & Squares	2,232,785.79	576,137.49	1,306,716.89	310,871.11	28,073,780.97	163,187.20
Auditorium	635,831.46	8,175.00*	626,886.46	9,487.11	20,631,171.00	6,529,900.34
Keas Stadium	269,277.67	125,422.68	113,451.99	-	1,164,131.82	1,018,986.34
OTHER						
Central Warehouse & Corporation Yard	714,049.79	46,089.36	651,871.43	1,006,680.00	274,895.53	749,273.02
San Francisco Gas	20,211.76	15,525.00	4,686.76	-	20,211.76	15,525.00
Miscellaneous	374,240.26	8,958.22*	159,523.66	233,771.82	716,035.68	255,366.62
Total	\$13,378,440.39	\$12,485,690.03	\$11,502,361.23	\$9,650,677.13	\$59,099,436.25	\$274,771,596.43

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1914 to JUNE 30, 1924

Source of Funds	Total	Land	Buildings Structures & Improvements	Equipment
Current Funds:				
General Fund	\$ 229,866.31		\$ 5,755,540.98	\$4,231,568.68
Recreation and Park	3,127,516.17	1,132,161.56	1,639,926.30	121,128.61
Library	161,257.85	16,666.88	366,900.25	77,690.72
War Memorial	12,856.11		10,358.16	2,499.95
California Historical Legion of Honor	12,856.11		10,358.16	2,499.95
Golden Gate Memorial	271,314.63		165,400.51	104,914.10
Special Road Improvement	6,220,229.37	755,057.70	5,243,147.61	220,900.63
San Francisco Tax Street Improvement	7,914,315.68	2,264,083.52	5,644,117.51	12,084.65
San Francisco Unified School District	8,107,369.22	2,728,141.57	2,378,116.12	2,996,787.53
Special Accumulative Building Fund - Schools	1,012,557.11	522,353.21	490,266.70	8,927.98
Child Care Centers	37,140,017.68	7,646,690.75	21,734,260.99	8,107,055.88
Capital Funds:				
Real Property, General City	916,652.15*	719,662.59*	199,989.56*	
Real Property, S.F.U.S.D.	12,481,206	209,364.37	274,684.68*	
1929 Sewer Bond Fund	1,859,000	3,976.76*	139,866.55	
1929 Hospitals Bond Fund	6,850.00		6,850.00	1,051.65
1931 Parks and Squares Bond Fund	1,051.65			
1931 Sewers Bond Fund	2,159.58			
1931 Parks and Squares Bond Fund	30.00			
1931 Sewers Bond Fund	1,314.55			
1932 Electric Bond Fund	112,832.97*			
1914 Juvenile Home & Court Bond Fund	20,012,770.39	4,516.00	4,354.55	109,318.15*
1917 Street Improvement Bond Fund	14,210,967.56	1,616,891.62	18,421,952.78	3,925.99
1918 Recreation Bond Fund	14,976,128.11		4,183,149.26	57,518.30
1918 Recreation Bond Fund	9,525,787.17	924,000.00	14,669,798.40	1,651,266.05
1918 Sewerage Treatment Bond Fund	3,525,787.17	924,000.00	3,525,787.17	1,191,357.69
1918 Sewerage Treatment Bond Fund	13,098,544.22	555,519.38	30,253,182.18	40,615.81
1917 Off-Street Parking Bond Fund	901,376.78	850,051.53	13,082,179.00	
1952 Firehouse Bond Fund	148,689.73	10,300.00	51,325.25	
Miscellaneous	17,597.06*	17,597.06*	438,369.73	
	91,621,753.16	4,694,177.72	66,146,770.95	1,316,864.19
Trust Funds:				
State Highway Trust	3,217,147.85	631,096.56	2,583,351.29	706.76
Retirement System	20,231.76	15,525.00	4,000.00	
Sigmond Stern - Donation	15,000.00	15,000.00		
Metropolitan Life Insurance Co. - Donation	20,000.00	20,000.00		
	3,272,679.61	681,621.56	2,587,351.29	706.76
Total Additions	\$132,373,180.39	\$22,425,190.03	\$110,522,383.23	\$9,450,607.13

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1944-45 to 1954-55

Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	7283	Total	Total
							Assessed Value Subject to City & Co. Ad Valorem Rate		
1944-45	Unsecured - City and County Assessor....				92,469,287		92,469,287	4.36	399,383,089
	Secured - City and County Assessor.....		296,176,585	366,358,175	7,729,916	7,536,645	662,228,031	4.69	3,179,341,386
	Secured - State Board of Equalization.....		14,344,980	41,092,340	32,916,780		88,354,100	4.69	409,803,500
	Total.....		\$310,521,565	\$407,450,515	\$133,105,983	\$7,636,645	\$843,441,418		\$3,499,987,975
1945-46	Unsecured - City and County Assessor....				98,182,638		98,182,638	4.69	409,803,500
	Secured - City and County Assessor.....		295,953,215	371,683,405	5,841,172	8,084,634	664,836,158	4.81	3,179,341,386
	Secured - State Board of Equalization.....		11,365,040	40,280,850	31,957,590		83,604,380	4.81	409,803,500
	Total.....		\$307,318,855	\$411,964,255	\$136,024,400	\$8,684,634	\$846,622,876		\$3,499,987,975
1946-47	Unsecured - City and County Assessor....				110,180,654		110,180,654	4.81	409,803,500
	Secured - City and County Assessor.....		297,150,419	379,741,290	5,817,536	16,967,838	685,441,407	5.55	3,179,341,386
	Secured - State Board of Equalization.....		11,291,570	41,736,690	32,055,820		85,384,080	5.55	409,803,500
	Total.....		\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$870,706,141		\$3,499,987,975
1947-48	Unsecured - City and County Assessor....				150,379,489	4,464,748	145,914,741	5.55	409,803,500
	Secured - City and County Assessor.....		304,975,992	403,718,630	4,811,461	34,899,392	678,606,691	5.62	3,179,341,386
	Secured - State Board of Equalization.....		11,441,450	43,692,360	33,962,940		89,095,750	5.62	409,803,500
	Total.....		\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$913,618,182		\$3,499,987,975
1948-49	Unsecured - City and County Assessor....				176,254,123	2,170,550	174,083,573	5.62	409,803,500
	Secured - City and County Assessor.....		333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	3,179,341,386
	Secured - State Board of Equalization.....		11,566,170	49,385,230	35,695,010		96,646,410	6.09	409,803,500
	Total.....		\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207		\$3,499,987,975
1949-50	Unsecured - City and County Assessor....				187,081,075	2,368,931	184,712,144	6.09	409,803,500
	Secured - City and County Assessor.....		338,327,522	447,097,465	7,956,786	39,773,711	753,648,062	5.66	3,179,341,386
	Secured - State Board of Equalization.....		11,634,050	60,688,540	40,147,520		112,470,110	5.66	409,803,500
	Total.....		\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316		\$3,499,987,975
1950-51	Unsecured - City and County Assessor....				174,987,355	2,460,275	172,527,080	5.66	409,803,500
	Secured - City and County Assessor.....		338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	3,179,341,386
	Secured - State Board of Equalization.....		11,594,320	66,845,380	38,418,540		114,836,240	6.29	409,803,500
	Total.....		\$350,080,400	\$535,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577		\$3,499,987,975
1951-52	Unsecured - City and County Assessor....				199,089,454	2,242,554	196,846,899	6.29	409,803,500
	Secured - City and County Assessor.....		340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	3,179,341,386
	Secured - State Board of Equalization.....		15,762,340	66,620,930	41,853,110		124,236,380	6.19	409,803,500
	Total.....		\$356,201,420	\$559,588,370	\$254,433,390	\$48,746,094	\$1,121,477,076		\$3,499,987,975
1952-53	Unsecured - City and County Assessor....				220,812,645	2,086,937	218,725,708	6.19	409,803,500
	Secured - City and County Assessor.....		348,660,965	530,992,235	12,794,831	44,981,574	847,466,457	5.67	3,179,341,386
	Secured - State Board of Equalization.....		16,714,810	67,703,770	44,590,910		129,099,490	5.67	409,803,500
	Total.....		\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655		\$3,499,987,975
1953-54	Unsecured - City and County Assessor....				232,302,098	2,014,395	230,287,703	5.67	409,803,500
	Secured - City and County Assessor.....		350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	3,179,341,386
	Secured - State Board of Equalization.....		16,799,640	68,685,230	47,872,160		133,557,030	6.27	409,803,500
	Total.....		\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471		\$3,499,987,975
1954-55	Unsecured - City and County Assessor....				233,165,805	2,385,376	230,780,429	6.27	409,803,500
	Secured - City and County Assessor.....		351,797,115	562,069,670	9,133,322	53,599,964	869,400,143	6.85	3,179,341,386
	Secured - State Board of Equalization.....		16,750,680	72,376,320	49,673,340		138,800,740	6.85	409,803,500
	Total.....		\$368,547,795	\$636,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912		\$3,499,987,975

CITY AND COUNTY OF SAN FRANCISCO
DETAIL OF TAX RATES

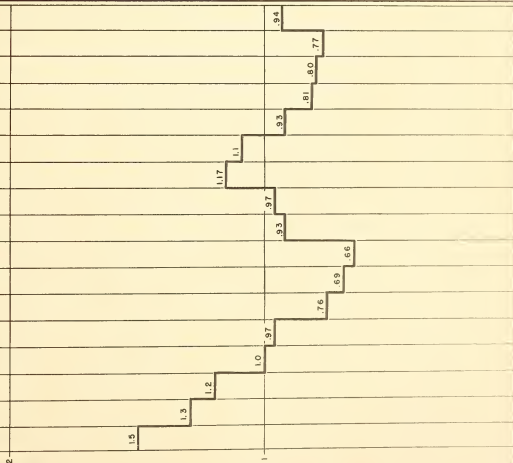
Fiscal Years 1945-46 to 1954-55

	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55
General Fund - Charter Limit \$1.65....	1.324581	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134
General Fund - Other Necessary Expenditures Not Limited .....	.788891	.886788	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081
Unified School District	1.132731	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888
Recreation .....	.127712	.148002	.128131	.139433	.126423	.....	.....	.....	.....	.....
Park .....	.177718	.231787	.194877	.272223	.203699	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.....	.....	.....	.....	.333286	.308968	.300406	.333419	.308652
Library .....	.077863	.092736	.079649	.085277	.079214	.103886	.083429	.084568	.086696	.093976
Employees' Retirement .....	.367666	.415228	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473
Bond Interest and Redemption .....	.534730	.562023	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244
de Young Museum .....	.018125	.028140	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888
California Palace of the Legion of Honor .....	.012867	.023237	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568
War Memorial .....	.010328	.030623	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690
Publicity and Advertising .....	.023595	.036508	.031683	.027403	.026161	.026098	.024423	.022763	.022529	.021227
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Child Care Centers .....	.....	.....	.....	.....	.....	.....	.008818	.014731	.016049	.008877
Special Election Fund .....	.....	.....	.006512	.....	.....	.000100	.....	.000267	.....	.....
Interest on Tax Anticipation Notes .....	.000047	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings...	.129648	.150632	.130660	.129071	.093146	.103213	.096888	.095479	.106698	.103809
Alport .....	.050770	.111692	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256
Heich Hetchy Water Supply .....	.052728	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway .....	.....	.....	.....	.....	.....	.119469	.170008	.....	.....	.206237
P. U. C. Purchase of California St. Cable R. R. Co. ....	.....	.....	.215088	.....	.....	.....	.....	.....	.....	.....
Contribution to Purchase Butano Forest .....	.....	.....	.....	.....	.....	.016870	.....	.....	.....	.....
Total Levy	4.83	5.55	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85

CITY AND COUNTY OF SAN FRANCISCO PERCENTAGES OF TAX DELINQUENCY

FOR FISCAL YEARS ENDING

% 1933 1935 1940 1941 1942 1943 1944 1945 1946 1947 1948 1949 1950 1951 1952 1953 1954



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO AMOUNTS OF TAX LEVIES AND DELINQUENCIES

Fiscal Years 1933-32 to 1953-54

Fiscal Year	Amount of Levy	Uncollected at June 30, Amount	Uncollected at June 30, 1954 Amount
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1931-32	\$2,711,163	\$ 718,430	2.20	\$ 16,526	.05
1932-33	31,752,706	1,705,591	5.37	228,636	.72
1933-34	26,513,270	1,316,809	4.95	161,094	.61
1934-35	28,808,183	998,096	3.33	26,667	.09
1935-36	30,631,662	612,784	2.00	24,130	.08
1936-37	30,686,613	1,019,704	1.15	20,328	.07
1937-38	31,991,075	1,031,051	1.50	30,655	.10
1938-39	33,337,612	1,021,132	1.32	19,256	.06
1939-40	32,575,922	3,611,607	1.19	271,556	.08
1940-41	35,162,785	3,871,339	1.04	12,157	.12
1941-42	36,169,225	354,994	.97	67,102	.18
1942-43	37,169,083	218,158	.76	61,732	.16
1943-44	36,797,771	251,508	.69	149,167	.13
1944-45	39,607,106	262,652	.66	31,082	.09
1945-46	41,131,389	380,975	.93	39,311	.10
1946-47	47,171,328	1,671,779	.97	51,714	.11
1947-48	51,718,354	602,680	1.17	95,173	.18
1948-49	60,779,270	669,631	1.10	136,640	.21
1949-50	60,590,563	567,617	.93	108,037	.16
1950-51	66,522,057	531,393	.81	107,526	.16
1951-52	70,596,215	560,703	.80	161,668	.23
1952-53	69,817,162	539,325	.77	216,752	.31
1953-54	76,082,512	716,632	.94	716,632	.94

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1954-55

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE Per \$100</u>
Taxes on property assessed by City and County:			
Real Estate, Improvements, and Secured Personal Property:			
Real Estate and Improvements	\$913,866,785		
Tangible Personal Property	9,133,322		
Less Veterans' and Welfare Exemptions	<u>53,599,964</u>		
	\$869,400,143	\$59,554,315.60	6.85
Solvent Credits	<u>11,636,238</u>	<u>11,635.29</u>	.10
Total	<u>881,036,381</u>	<u>59,565,950.89</u>	
Unsecured Personal Property (Collected):			
Tangible Personal Property	113,875,412		
Less Veterans' and Welfare Exemptions	<u>1,857,540</u>		
	112,017,872	7,023,586.24	6.27
Solvent Credits	<u>437,047,742</u>	<u>437,054.50</u>	.10
Total	<u>549,065,614</u>	<u>7,460,640.74</u>	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	119,290,393		
Less Veterans' and Welfare Exemptions	<u>527,836</u>		
	118,762,557	7,446,436.73	6.27
Solvent Credits	<u>221,721,386</u>	<u>221,724.30</u>	.10
Total	<u>340,483,943</u>	<u>7,668,161.03</u>	
Total Assessed by City and County Assessor	<u>1,770,585,938</u>	<u>74,694,752.66</u>	
Taxes on property Assessed by State Board of Equalization:			
Real Estate and Improvements	89,127,000		
Tangible Personal Property	49,673,340	9,507,823.34	6.85
Solvent Credits	<u>55,227,520</u>	<u>55,227.52</u>	.10
Total Assessed by State Board of Equalization	<u>194,027,860</u>	<u>9,563,050.86</u>	
Total of Above Assessments	<u>\$1,964,613,798</u>		
Total Tax Yield 1954-55		84,257,803.52	
Reassessments		- - -	
TOTAL TAX YIELD		<u><u>\$84,257,803.52</u></u>	

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1954

Maximum Limit:

12% of 1954-55 Assessment Roll (\$1,964,613,798)	\$235,753,655
--	---------------

Bonded Debt Not Matured June 30, 1954:

Total	\$188,632,000	
Exempt from 12% Limit (a)	73,005,000	115,627,000

Limit of Future Bond Sales (Subject to 12% Limit)	<u>\$120,126,655</u>
---	----------------------

Unissued (Unsold) Bonds, June 30, 1954:

	<u>Total</u>	<u>Exempt from 12% Limit</u>	<u>Subject to 12% Limit</u>
1947 Street Improvement	\$ 6,950,000		
1947 Off-Street Parking	4,000,000		
1947 Recreation	3,770,000		
1948 Sewage Treatment	1,450,000		
1948 Schools	4,990,000		
1952 Firehouse	4,750,000		
1954 Sewers	12,645,000		
	<u>\$38,555,000</u>	-0-	<u>\$ 38,555,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1954

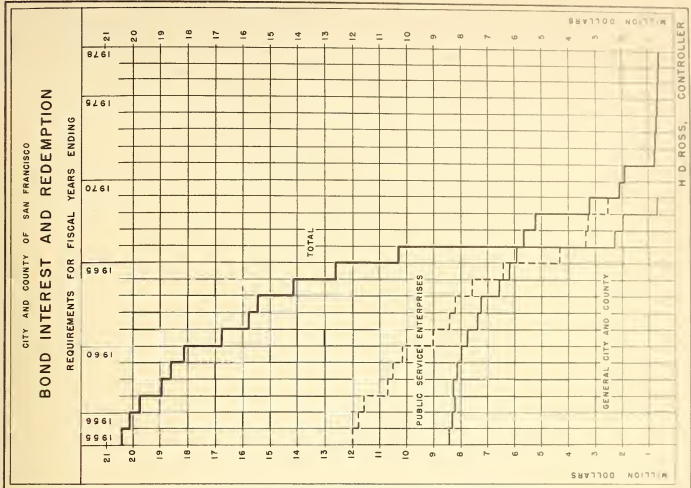
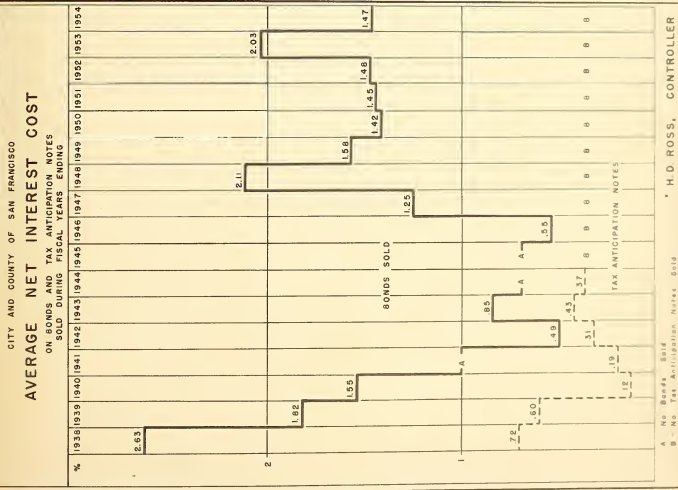
General City, Including
S. F. Unified School District

Public Service Enterprises

Fiscal Year	Grand Total	Bond			Bond		
		Total	Redemption	Interest	Total	Redemption	Interest
1954-55	\$ 20,422,668.75	\$ 8,424,586.25	\$ 6,794,000	\$ 1,630,586.25	\$ 11,998,082.50	\$ 8,946,000	\$ 3,052,082.50
1955-56	20,074,198.75	8,351,248.75	6,843,000	1,508,248.75	11,773,590.00	8,947,000	2,828,590.00
1956-57	18,766,638.75	8,246,557.50	6,881,000	1,365,557.50	11,550,076.25	8,951,000	2,601,076.25
1957-58	18,937,078.75	8,236,498.75	7,062,000	1,174,498.75	10,700,560.00	8,344,000	2,366,560.00
1958-59	18,623,480.00	8,126,137.50	7,066,000	1,060,137.50	10,497,342.50	8,234,000	2,163,342.50
1959-60	18,441,008.75	7,989,436.25	7,061,000	928,436.25	10,151,572.50	8,244,000	1,937,572.50
1960-61	16,760,631.25	7,753,298.75	6,961,000	792,298.75	9,027,322.50	7,344,000	1,713,322.50
1961-62	15,804,961.25	7,372,473.75	6,716,000	656,473.75	8,432,487.50	6,930,000	1,502,487.50
1962-63	15,468,413.75	7,245,528.75	6,715,000	530,528.75	8,222,895.00	6,929,000	1,293,895.00
1963-64	14,151,012.50	6,570,760.00	6,167,000	403,760.00	7,580,252.50	6,496,000	1,084,252.50
1964-65	12,615,850.00	6,193,225.00	5,902,000	291,225.00	6,422,625.00	5,531,000	891,625.00
1965-66	10,303,061.25	5,969,110.00	5,776,000	193,110.00	4,333,951.25	3,593,000	740,951.25
1966-67	8,676,956.25	2,362,775.00	2,215,000	87,775.00	3,377,181.25	2,750,000	627,181.25
1967-68	5,225,268.75	1,961,021.50	1,922,000	39,027.50	3,264,311.25	2,750,000	514,311.25
1968-69	2,250,885.00	694,362.50	683,000	9,362.50	2,566,322.50	2,180,000	406,322.50
1969-70	2,110,985.00				2,110,985.00	1,800,000	310,985.00
1970-71	1,929,482.50				1,929,482.50	1,700,000	229,482.50
1971-72	773,500.00				773,500.00	600,000	173,500.00
1972-73	748,500.00				748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	600,000	13,500.00

\$224,194,736.25 \$95,395,236.25 \$84,775,000 \$10,620,236.25 \$128,799,500.00 \$103,857,000 \$24,942,500.00

Unsold Bonds at June 30, 1954 in the amount of \$38,555,000 are not included.



CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
SOURCE OF REVENUES:										
General City Issues:										
Taxes	\$ 4,542,792	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,850,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397
Special Road Improvement Fund ..	88,200	88,200	88,200	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund .....	.....	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189
Surplus	12,596	.....	.....	.....	136,932	.....	.....	.....	.....	.....
	4,643,588	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586
Public Service Enterprises:										
Utility Earnings:										
Water Department	5,392,392	6,210,245	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397
Heich Hechty Project	1,832,590	1,330,378	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594
Municipal Railway	137,500	132,500	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....
Airport .....	.....	.....	.....	.....	.....	124,584	366,099	437,912	663,500	433,830
Proceeds from Bond Funds	2,891	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund (via Utility)	.....	.....	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....
Taxes (via Utility)	792,007	849,565	294,710	289,855	1,665,360	3,165,818	2,827,350	1,602,725	1,466,892	3,753,012
Surplus .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	8,157,380	8,522,688	8,700,495	11,134,849	11,745,123	12,395,172	11,671,553	11,784,180	11,795,145	11,946,833
Total Budgeted Requirements	\$12,800,968	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,497	\$18,922,395	\$19,053,544	\$20,403,419

Office of the Controller



REPORT AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1954

PRICE WATERHOUSE & CO.

351 CALIFORNIA STREET

SAN FRANCISCO 4

November 19 1954

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Dear Sirs:-

In accordance with your resolution No. 14365, we have made an examination, to the extent outlined in this report, of the financial statements relating to the Office of the Controller of the City and County of San Francisco for the year ended June 30 1954. The financial statements, attached hereto, are as follows:-

Exhibit

General City and County (i.e. exclusive of Public Service Enterprises) and San Francisco Unified School District:	
Combined balance sheet, all funds, June 30 1954	A
Summary of changes in unappropriated balance of funds, for the year ended June 30 1954	B
Statement of revenues and expenses, for the year ended June 30 1954	C
Summary of fixed assets, June 30 1954	D
Bonded indebtedness, June 30 1954	E
Individual fund balance sheets, June 30 1954:	
Summary	F
Current funds	G
Capital funds	H
Retirement and other public trust funds	I
Private trust funds	J
Assessment and redemption funds	K
Agency funds	K
Public Service Enterprises:	
Reconciliation of proprietary surplus with unappropriated balance of funds, June 30 1954	L
Individual fund balance sheets, June 30 1954	M

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examinations of these accounts are made by other auditors as follows:-

By other independent public accountants:
Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project
By the Controller's Utilities Audit Division:
Public Utilities Commission
San Francisco Airport

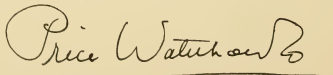
Our examination of the financial statements relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of this report, we have necessarily incorporated data from reports prepared in connection with examinations made as at June 30 1954 by other auditors as follows:-

By other independent public accountants:
San Francisco Unified School District (a separate political entity)
City and County of San Francisco Employees' Retirement System
By the Controller's General Audit Division:
Cash, securities and accounts of the Treasurer's Office

O P I N I O N

In our opinion, based on the examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the position at June 30 1954 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Yours very truly,


Price Watson

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED BALANCE SHEET - ALL FUNDS
(See Notes to Financial Statements)

		<u>ASSETS AND OTHER RESOURCES</u>		<u>LIABILITIES AND FUND BALANCES</u>	
		June 30 1954	June 30 1953	June 30 1954	June 30 1953
<u>CASH:</u> On deposit with Treasurer Less- Outstanding warrants, matured bonds and coupons		\$60,737,600	\$60,820,582		
		2,876,957	1,304,162	\$ 937,765	\$ 909,641
		\$57,860,643	\$59,516,420	2,081,940	3,206,131
		49,750	49,750	153,560	50,574
Revolving funds		\$57,910,393	\$59,566,170	\$3,173,265	\$4,166,746
<u>ACCOUNTS RECEIVABLE:</u> Real and personal property taxes, penalties and costs, secured Personal property taxes, penalties and costs, Purchase, use and franchise taxes Grants-in-aid and shared state taxes Departmental receivables Accrued interest and other Accrued interest and other		\$ 805,024	\$ 619,779	\$3,302,564	\$5,248,797
		1,876,347	1,827,465	1,359,866	1,861,456
		1,971,459	1,862,525	\$4,662,430	\$6,510,253
		2,379,905	3,798,987		
		1,462,890	7,300,000	\$ 27,831	\$ 100,926
		1,518,887	1,305,614	1,064,251	1,452,442
		\$10,014,552	\$17,617,325	150,597,051	133,882,530
		3,549,167	2,740,531	\$152,089,733	\$135,406,298
		\$6,665,395	\$14,848,294		
		\$1,632,542	\$1,981,845		
Less- Reserves		\$142,859,982	\$126,683,587	\$57,595,958	\$68,322,790
<u>OWNING BY PUBLIC SERVICE ENTERPRISES (Net)</u>		55,590	55,590	30,211,906	20,125,799
		\$142,915,572	\$126,739,577	\$87,807,864	\$88,448,589
<u>INVESTMENTS:</u> Securities Real estate, etc.		\$38,555,000	\$30,910,000		
		54,000	460,000		
OTHER RESOURCES:		\$38,609,000	\$31,396,000		
Authorized but unissued bonds (Note A)		\$247,733,292	\$234,531,886	\$247,733,292	\$234,531,886
Available federal aid					

Supplementary Data:
(1) Proprietary equity in Public Service Enterprises (Exhibit L)
(2) Fixed assets other than properties and equipment of the city
owned Public Service Enterprises (Exhibit D) (Note C)
(3) Bonds and debentures outstanding at the end of the fiscal year
and not yet received from the Federal Government together with interest
thereon, against revenues of ensuing fiscal years (Exhibit E)
(4) Contingent liabilities, etc. (Note B)

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF CHANGES IN UNAPPROPRIATED BALANCE OF FUNDS

	<u>Y e a r e n d e d</u>	
	<u>June 30 1954</u>	<u>June 30 1953</u>
Balance, beginning of year	\$20,125,799	\$17,800,060
Add:		
Excess of revenues over expenses (Exhibit C)	10,925,092	8,616,786
Proceeds from sales of fixed assets (book value of assets sold, 1954 - \$250,981, 1953- \$264,908)	649,682	649,286
Additional bonds authorized	12,645,000	4,750,000
Federal aid made available		540,000
Reductions in reserves:		
	<u>Balances of Reserves as at</u>	
	<u>June 30 1954</u>	<u>June 30 1953</u>
Cash reserve fund	\$ 6,994,716	\$ 7,059,622
Reserve for encumbrances	13,119,514	15,319,197
Reserve for unencumbered appropriations	37,481,728	45,943,971
	<u>\$57,595,958</u>	<u>\$68,322,790</u>
	<u>\$82,033,255</u>	
	10,726,832	13,710,465
Reduction (increase) in balance of expenditures on uncompleted interdepartmental work orders temporarily charged to unappropriated balance of funds at end of each fiscal year:		
Balance at June 30 1954	\$2,894,926	
Balance at June 30 1953	3,727,929	
Balance at June 30 1952	3,428,429	
Miscellaneous		(299,500)
	<u>\$55,905,408</u>	<u>\$45,831,373</u>
Deduct:		
Additions to fixed assets	\$20,345,581	\$20,644,480
Less- Amounts contributed by State Highway Trust Fund	339,631	478,906
	<u>\$20,005,950</u>	<u>\$20,165,574</u>
Bonds redeemed	5,654,000	5,540,000
Miscellaneous	33,552	
	<u>\$25,693,502</u>	<u>\$25,705,574</u>
Balance, end of year	\$30,211,906	\$20,125,799

CITY AND COUNTY OF SAN FRANCISCO
 (Exclusive of Public Service Enterprises)
 - AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES AND EXPENSES

	<u>Year ended</u>	
	<u>June 30 1954</u>	<u>June 30 1953</u>
Revenues:		
Property taxes, penalties, interest and costs	\$ 76,123,581	\$ 69,852,672
Grants-in-aid and shared state taxes	42,687,117	39,508,407
Departmental service charges, etc.	6,961,796	6,620,108
Retail purchase and use tax	4,984,922	5,049,201
Fines, forfeits and penalties other than from property taxes	2,470,813	2,246,475
Franchise taxes	1,150,018	1,049,986
Licenses	580,362	648,457
Bank interest	578,940	526,697
Rentals from nonoperating school property	364,083	357,265
Housing authority in lieu of taxes	394,865	244,435
Other	90,099	134,104
	<u>\$136,386,596</u>	<u>\$126,247,817</u>
Expenses:		
Departmental expenses (adjusted for inventories and other deferred charges):		
General government	\$ 9,385,669	\$ 8,539,705
Public safety	20,804,800	18,748,784
Highways	3,028,109	2,722,831
Sanitation	3,269,346	2,957,688
Health conservation	2,753,708	2,502,420
Hospitals	7,107,558	6,478,313
Public welfare	22,027,819	22,233,625
Corrections	1,965,756	1,801,926
Schools	31,363,509	29,341,754
Libraries	1,045,452	935,314
Recreation	5,419,246	5,075,479
	<u>\$108,170,972</u>	<u>\$101,337,839</u>
Pension cost - Employees' Retirement System (Note B)	13,527,239	12,541,720
Bond interest (accrual basis)	1,618,812	1,447,005
Civilian Defense	201,273	218,896
Assessments, Joint Highway Districts	99,000	99,000
Provision from property and other taxes for support of:		
Municipal Railway		(9,000)
Airport	1,465,459	1,604,442
Public Utilities Commission	139,379	1,812
Miscellaneous	(132,412)	213,370
	<u>\$125,089,722</u>	<u>\$117,455,084</u>
Excess of revenues over expenses, proprietary basis, forward	\$11,296,874	\$8,792,733

Exhibit C - Cont'd.

	<u>Y e a r</u> <u>June 30 1954</u>	<u>e n d e d</u> <u>June 30 1953</u>
Excess of revenues over expenses, proprietary basis, forward	<u>\$11,296,874</u>	<u>\$8,792,733</u>
Add:		
Deferred charges, beginning of year:		
Inventories of materials and supplies	\$1,078,053	\$1,095,040
Miscellaneous	196,297	96,999
Accrued bond interest, end of year	527,687	460,357
	<u>\$1,802,037</u>	<u>\$1,652,396</u>
	<u>\$13,098,911</u>	<u>\$10,445,129</u>
Deduct:		
Deferred charges, end of year:		
Inventories of materials and supplies	\$1,092,559	\$1,078,053
Miscellaneous	188,903	196,297
Accrued bond interest, beginning of year	460,357	499,993
Federal aid collections included in proprietary revenues	432,000	54,000
	<u>\$2,173,819</u>	<u>\$1,828,343</u>
Excess of revenues over expenses, funding basis	<u>\$10,925,092</u>	<u>\$8,616,786</u>

CITY AND COUNTY OF SAN FRANCISCO
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE OF
THE CONTROLLER, FOR THE YEAR ENDED JUNE 30 1954

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds, exclusive of bonds of the city owned Public Service Enterprises, as at June 30 1954:-

1947 Street Improvement	\$ 6,950,000
1947 Recreation	3,770,000
1947 Off-Street Parking	4,000,000
1948 Sewage Treatment	1,450,000
1948 School	4,990,000
1952 Firehouse	4,750,000
1954 Sewer	12,645,000
	<u>\$38,555,000</u>

NOTE B - Unallocated tax appropriations,
Employees' Retirement Fund:

Over the period of eight years ended June 30 1954, tax appropriations allocated to the Retirement System in respect of pension costs have in total exceeded actual pension costs by \$1,064,251, as follows:-

Excess (net) to June 30 1952		\$1,698,346
Less:		
Fiscal year ended June 30 1953:		
Actual costs	\$12,817,624	
Tax appropriations (Exhibit C)	<u>12,541,720</u>	275,904
Excess (net) to June 30 1953		\$1,422,442
Fiscal year ended June 30 1954:		
Actual costs	\$13,885,430	
Tax appropriations (Exhibit C)	<u>13,527,239</u>	358,191
Excess (net) to June 30 1954		<u>\$1,064,251</u>

Of the foregoing excess to June 30 1954, \$971,485 had been paid in cash to the Retirement System to that date. The unpaid balance of \$92,766 represents taxes appropriated but not collected. On November 18 1954, the \$971,485 was transferred back to the General Fund in compliance with Opinion #881 of the City Attorney issued under date of September 24 1954 which states that the excess tax appropriations should be returned to the General Fund in accordance with Section 80 of the Charter.

NOTE C - Fixed assets:

The amount of \$358,233,259 does not purport to represent the cost of properties and equipment presently owned by the City and County, exclusive of the city owned Public Service Enterprises, and by the School District; the principal reasons for this are as follows:-

- (1) An equity of approximately \$647,000 has been acquired in parking meters (including \$40,000 during the year under review) which, together with the balance of \$31,000 owing at June 30 1954 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
- (2) A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$2,894,926 at June 30 1954 and \$3,727,929 at June 30 1953 per Exhibit B) is applicable to land, structures or equipment but such expenditures are not charged to fixed assets until each of the several jobs is completed.
- (3) A substantial but undetermined amount of retentions from payments or accruals for work completed to June 30 1954 on construction contracts then in progress has not been given recognition in the accounts as at that date except in the reserve for encumbrances.
- (4) Certain of the properties are recorded at appraised values.

NOTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District at June 30 1954 aggregating approximately \$22,000,000 and \$50,000 respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$22,000,000 against the City and County, were claims aggregating approximately \$16,000,000 against the Municipal Railway in respect of which the Railway has provided a reserve of \$2,910,000; no such reserve has been provided by any of the other departments of the municipality nor by the School District.

The Retirement Board has estimated the reserve requirements as at June 30 1954 for employees compensation claims at \$1,005,000 for the entire municipality including \$43,000 for the School District. No provision has been made in the books nor on the accompanying financial statements in respect of the portion of this estimated liability, \$796,000, which applies to General City and County Departments and School District. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable in respect of the operating expenses and of the bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30 1954 show:

- (1) Net income of \$164,118 after provision for bond interest and after an extraordinary charge of \$1,788,744 representing progress payments to June 30 1954 on a contract totaling \$3,062,216 for a bottom lateral bracing system.
- (2) Bonds outstanding at June 30 1954 of \$30,400,000, which mature \$800,000 per year for the next three years and \$1,200,000 per year for the following five years.
- (3) A sinking fund for retirement of bonded debt amounting at June 30 1954 to \$6,982,046.

CITY AND COUNTY OF SAN FRANCISCO
 (Exclusive of Public Service Enterprises)
 - AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30 1954

	<u>Total</u>	<u>Land</u>	<u>Structures and improvements</u>	<u>Equipment</u>
Current Year's Additions - Net:				
General Government:				
Civic Center, including				
City Hall	\$ 74,559		\$ 14,565	\$ 59,994
Public Safety:				
Fire Department	608,772 (\$	7,282)	523,694	92,360
Police Department	4,383	(6,855)	(42,568)	53,806
Department of				
Electricity	8,633		1,158	7,475
Highways:				
Streets, tunnels, bridges,				
etc.	5,521,953	(39,840)	5,539,518	22,275
Asphalt plant	22,715		22,715	
Off-street parking	30,946	(10,732)	41,678	
Sanitation:				
Sewers and sewage dis-				
posal plants	1,834,849	(34,099)	1,855,799	13,149
Street Cleaning Depart-				
ment	46,781			46,781
Health Conservation:				
Hassler Health Home	5,854			5,854
Civic Center Health				
Building	17,045			17,045
Other	68,976		68,976	
Hospitals:				
San Francisco Hospital	75,955	(1,136)	39,525	37,566
Emergency Hospitals	910			910
Public Welfare:				
Laguna Honda Home	144,599		129,259	15,340
Welfare Department	6,738			6,738
Corrections:				
Youth Guidance Center	36,827		28,136	8,691
Schools	9,864,072	129,755	9,119,693	614,624
Libraries	112,405		111,825	580
Recreation:				
Playgrounds and				
swimming pools	938,254	63,737	817,047	57,470
Museums, art galleries, etc.	72,965		67,623	5,342
War Memorial and Opera				
House	350			350
Parks and squares	432,059	189,528	215,346	27,185
Auditorium	11,317		11,317	
Golf links	2,429		2,429	
Kezar Stadium	8,924		8,924	
Other:				
Central warehouse and				
corporation yard	37,555		37,555	
Miscellaneous	103,775		527	103,248
Prior Years' Additions	\$ 20,094,600	\$ 283,076	\$ 18,614,741	\$ 1,196,783
	338,138,659	59,616,360	253,262,786	25,259,513
	<u>\$358,233,259</u>	<u>\$59,899,436</u>	<u>\$271,877,527</u>	<u>\$26,456,296</u>

CITY AND COUNTY OF SAN FRANCISCO
 (Exclusive of Public Service Enterprises)
 - AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BONDED INDEBTEDNESS - JUNE 30 1954

Schools:

Mar. 1 1923, 5%	\$3,900,000	
1948, Series A - Mar. 1 1949, 1-1/4% and 1-1/2%	5,400,000	
1948, Series B - Apr. 1 1951, 1-1/4% and 1-3/4%	9,235,000	
1948, Series C - Mar. 1 1952, 1-1/2%	8,320,000	
1948, Series D - Dec. 1 1952, 1-3/4%	9,750,000	
1948, Series E - Aug. 1 1953, 2-1/2% and 4%	4,800,000	
1948, Series F - Mar. 1 1954, 1% to 5-3/4%	3,000,000	\$44,405,000

Parks and Playgrounds:

Parks and Squares, Feb. 1 1931, 4-1/2%	\$ 336,000	
Playgrounds, Feb. 1 1931, 4-1/2%	48,000	
1947 Recreation, Series A - Aug. 1 1948, 1-1/2% and 1-3/4%	1,395,000	
1947 Recreation, Series B - Nov. 1 1949, 1% to 1-1/2%	979,000	
1947 Recreation, Series C - Sept. 1 1950, 1% to 1-1/2%	1,840,000	
1947 Recreation, Series D - Aug. 1 1953, 2-1/2% and 4%	2,500,000	7,098,000

Boulevards and Roads:

Boulevards and Roads, Feb. 1 1931, 4-1/2%	\$ 216,000	
1947 Street Improvement, Series A - Feb. 1 1948, 2%	1,200,000	
1947 Street Improvement, Series B - Aug. 1 1949, 1% to 1-1/2%	1,530,000	
1947 Street Improvement, Series C - Nov. 1 1949, 1% to 1-1/2%	4,290,000	
1947 Street Improvement, Series D - Sept. 1 1950, 1-1/4% and 1-1/2%	696,000	
1947 Street Improvement, Series E - Mar. 1 1952, 1-1/4% and 1-1/2%	2,250,000	
1947 Street Improvement, Series F - Dec. 1 1952, 1-3/4%	975,000	
1947 Street Improvement, Series G - Mar. 1 1954, 1% to 4%	1,000,000	12,157,000

Sewers:

July 1 1908, 5%	\$ 100,000	
Jan. 1 1929, 4-1/2%	100,000	
Dec. 1 1933, 4%	785,000	
1944, Series B - Feb. 1 1948, 2% to 2-1/2%	4,797,000	
1948 Sewage Treatment, Series A - Aug. 1 1949, 1% to 1-1/2%	5,783,000	
1948 Sewage Treatment, Series B - Nov. 1 1949, 1% to 1-1/2%	2,299,000	
1948 Sewage Treatment, Series C - Mar. 1 1952, 1-1/4% and 1-1/2%	1,850,000	
1948 Sewage Treatment, Series D - Mar. 1 1954, 1% to 4%	1,000,000	16,714,000

Other issues:

Fire Protection, July 1 1908, 5%	\$ 260,000	
City Hall and Civic Center, July 1 1912, 5%	1,400,000	
1947 Off-Street Parking, Series A - Mar. 1 1952, 1-1/4% and 1-1/2%	950,000	
1948 Juvenile Court and Detention Home, Series A - Aug. 1 1948, 1-1/2% and 1-3/4%	1,085,000	
1948 Juvenile Court and Detention Home, Series B - Nov. 1 1949, 1% to 1-1/2%	706,000	4,401,000
		<u>\$84,775,000</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF INDIVIDUAL FUND BALANCE SHEETS

JUNE 30 1954

	Current funds (Exhibit G)	Capital funds (Exhibit H)	Retirement funds (Exhibit I)	Private trust funds (Exhibit J)	Assessment and redemption funds (Exhibit K)	Agency funds (Exhibit L)	Total before adjustment	Adjustments and transfers		Total adjustment
								Debit	Credit	
Assets and Other Resources										
Cash	\$28,365,019	\$19,249,586	\$3,902,747	\$2,840,407	\$12,343	\$756,515	\$55,126,617	\$49,769(A) 3,014,750(C)	\$285,679(D)	\$57,910,393
Receivables, less reserves	8,737,088		1,102,353		341		9,839,782	174,770(B)	3,339,237(H)	6,665,385
Interfund accounts receivable	15,576,310	1,182,083	687,814				17,446,207		9,930(J)	13,632,542
Investments			142,915,972				142,915,972	339,836(D)	16,153,501(L)	13,632,542
Other resources, less reserve	59,750	38,555,000					38,614,750		5,750(K)	38,609,000
	<u>\$52,738,167</u>	<u>\$59,986,669</u>	<u>\$148,608,886</u>	<u>\$2,840,407</u>	<u>\$12,684</u>	<u>\$756,515</u>	<u>\$263,943,388</u>			<u>\$247,733,292</u>
Liabilities and Fund Balances										
Accounts payable, etc.	\$4,662,430						\$4,662,430	\$3,019,795(G) 99,178(B) 225(H)		\$3,173,265
Deferred credits										27,831
Retirement, trust and agency fund				402		\$4,252	722,442			1,064,251
Reserve for encumbrances							147,624,262		341,809(M)	150,997,651
Unallocated tax appropriations,							746,143	83,634(I)		
Employees' Retirement Fund				2,840,005	\$12,684		2,852,689	341,809(M)		
Other balances, unencumbered						6,120	16,082,665	16,153,501(L)	70,836(I)	
Interfund accounts payable	12,371,899	\$3,665,641	39,005							
Reserves:										
Cash reserve fund	6,994,716						6,994,716			6,994,716
Reserve for encumbrances	3,994,956	9,194,556					13,119,514			13,119,514
Reserve for unencumbered										
appropriations	14,374,786	23,156,552					37,531,338	99,178(B)		
Other reserves	3,433,663						3,433,663	44,533(O)		
								3,339,462(H)		
Unappropriated balance of funds	6,975,715	22,969,920					29,945,635	49,568(O)		37,481,728
								49,750(A)		
								174,770(B)		
								9,930(J)		
								5,750(K)		
								12,738(I)		
										30,211,906
	<u>\$52,738,167</u>	<u>\$59,986,669</u>	<u>\$148,608,886</u>	<u>\$2,840,407</u>	<u>\$12,684</u>	<u>\$756,515</u>	<u>\$263,943,388</u>			<u>\$247,733,292</u>

* See following page

Adjustments and transfers:

- (A) To restore revolving funds to cash.
- (B) To record tuition receivable from other counties for nonresident students at City College.
- (C) To reclassify as payables, warrants recorded in June, issued in July.
- (D) To reclassify, from cash in transit account, receivables from Public Service Enterprises and payables to others, for payroll deductions.
- (E) To record sundry payables.
- (F) To eliminate reserves provided for supplemental appropriations to be made after June 30 1954.
- (G) To eliminate reserves provided against advances to General Fund, from other funds, for stores revolving funds.
- (H) To reclassify reserves for unsecured property taxes, departmental receivables, etc.
- (I) To eliminate interdepartmental work order and budget transfer balances between general city funds and:

Retirement, Trust and Agency Funds	\$83,634
Public Service Enterprise Funds	(70,836)
Net	<u>\$12,798</u>
- (J) To record reserves against sundry receivables.
- (K) To eliminate sundry small supply inventories.
- (L) To offset interfund accounts payable against interfund accounts receivable.
- (M) To record reduction during year ended June 30 1954 in unallocated tax appropriations, Employees' Retirement Fund.

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS

JUNE 30 1954

<u>Cash</u>	<u>Receiv- ables</u>	<u>Other resources</u>	<u>Interfund accounts</u>	<u>Total</u>	
\$ 2,940,422	\$2,864,845	\$ 5,750	\$ 1,254,599	\$ 1,254,599	General, 1954-1955
229,906	20,511		5,795,194	11,606,211	General, 1953-1954
69,854	1,153,496		25,081	275,498	General, prior years
313,323	(209)		434,733	1,223,350	Capital Improvement
				747,847	Recreation and Park
152,103	1,836		3,525	157,464	Library
110,237	588			110,825	War Memorial
33,379				33,379	California Palace of the Legion of Honor
216,454			1,151	217,605	de Young Museum
43,353				43,353	Publicity and Advertising
780,055	226,119		837,083	1,843,257	Bond Interest and Redemption
61,899				61,899	Special Election
4,369,508	421,633		24,594	4,815,735	Special Road Improvement
4,465,551	886,594	54,000	29,337	5,435,482	San Francisco Unified School District
115,062	28,969			144,031	Child Care Center - State
5,897				5,897	Special Accumulative Building Fund - S.F.U.S.D.
125,034	38,103			163,137	School Cafeteria
	226,403			226,403	Employees' Retirement - Current
9,182,703	543,085			9,725,788	Special Gas Tax Street Improvement
1,363,472	1,624,426		6,430,648	9,418,546	Cash Reserve
757,284			740,365	1,497,649	Emergency Reserve
5,153				5,153	Tax Anticipation Note Interest
21,590				21,590	Embarcadero Widening
	240,000			240,000	Alcoholic Beverage License Subsidy
	460,689			460,689	Tuberculosis Aid Subsidy
(167,930)				(167,930)	Auditorium
(171,332)				(171,332)	Firemen's Relief and Pension
(103,236)				(103,236)	Police Relief and Pension
100,000				100,000	Butano Forest Purchase
41,315				41,315	Unapportioned Funds:
3,302,564				3,302,564	Delinquent Tax Instalments
					Assessor's Personal Property Taxes, 1954-1955
1,179				1,179	Tax Collector's Taxes
220				220	Redemption of Property
<u>\$28,365,019</u>	<u>\$8,737,088</u>	<u>\$59,750</u>	<u>\$15,576,310</u>	<u>\$52,738,167</u>	

<u>Total</u>	<u>Deferred credits</u>	<u>Reserves</u>	<u>Interfund accounts</u>	<u>Cash reserve fund</u>	<u>Encum- brances</u>	<u>Unencumbered appro- priations</u>	<u>Unappro- priated</u>
\$ 1,254,599							
11,606,211	\$1,261,518	\$1,505,148	\$ 4,110,214		\$1,910,704	\$ 2,818,627	\$1,254,599
275,498	2,250	191	185,464		45,123	42,470	
1,223,350		160	972,302			53	
747,847	53,384	(209)	149,201		179,862	365,609	250,835
157,464		1,836	36,220		69,725	49,683	
110,825		588	16,172		13,128	80,937	
33,379			31,939		1,324	116	
217,605			19,964		180,884	16,757	
43,353			12,545		22,808	8,000	
1,843,257		190,987	1,600,000				
61,899						48,507	52,270
4,815,735		24,568	1,227,394			1,608,396	13,392
5,435,482		415,986	1,184,484		596,196	305,663	1,359,181
144,031		749	13,782		877,320	2,652,029	2,652,029
					20,627	5,000	103,873
5,897							
163,137						5,897	
226,403		133,637	92,766			5,033	158,101
9,725,788			754,952				
9,418,546		1,160,022	1,263,808	\$6,994,716	7,257	7,394,799	1,568,780
1,497,649						1,497,649	
5,153							5,153
21,590						21,590	
240,000			240,000				
460,689			460,689				
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
100,000						100,000	
41,315	41,315						
3,302,564	3,302,564						
1,179	1,179						
220	220						
<u>\$52,738,167</u>	<u>\$4,662,430</u>	<u>\$3,433,663</u>	<u>\$12,371,899</u>	<u>\$6,994,716</u>	<u>\$3,924,958</u>	<u>\$14,374,786</u>	<u>\$6,975,715</u>

INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS

JUNE 30 1954

[illegible]

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30 1954

Cash	Receiv- ables	Invest- ments	Inter- fund accounts	Total	Employees' Retirement System	Total	Inter- fund accounts	Unallo- cated tax Encum- brances	Fund balances
\$2,963,892	\$1,021,773	\$142,495,205	\$687,814	\$147,168,684	Health Service	270,005	1,767	\$15,458	\$146,415,746
270,005				167,432	Beardsley	2,447		550	268,238
88,460	78,972				Brunetti	1,306			1,306
2,447		94		2,447	Fellon	1,306			2,447
1,212					Fuhrman - Kibway	120,740			120,086
3,140		116,672		120,740	Fuhrman - Park	74,695		663	74,695
3,140					Fuhrman - Joint	52,490	500		51,990
74,695		50,990		125,685	Custody	11,431			11,431
1,500					Hawesfield	11,431			11,431
2,936	116	8,379		11,431	Huntington	3,246			3,246
2,936		2,000		3,246	Lewis	9,715			9,715
1,246	45	2,073		3,246	Marx	9,715			9,715
7,597	5	5,000		14,602	McLean	9,134			9,134
2,314					Nelson	1,684			1,684
3,683	22	979		4,684	Olsen	48,613			48,613
3,144	469	45,000		50,613	Robinson	18,457			18,457
14,459					Sharp	15,176	500		15,176
10,176		5,000		15,176	Steinbrum	2,152			2,152
2,152	416	190,000		192,152	Stoy	215,953		3,566	212,071
65,537	10	5,000		70,547	Strybing	2,438		138	68,109
438					Thibert	19,370			19,370
4,214	156	15,000		15,156	Winkel	2,287			2,287
2,287					Arabic Book	2,287			2,287
370,000					California Art Trust	350,000		2,345	350,000
2,028					Ford Foundation	2,028			2,028
3,601					Infantile Paralysis	3,601			3,601
3,601					Laguna Honda Work Shop	17,394			17,394
2,715					San Francisco Club	2,715			2,715
99		14,580		14,679	P.F.I.E. Trust	17,394			17,394
2,715					Pan American Society	135			135
2,071					Police Range Hospital -	2,071		365	1,706
195					San Francisco Hospital -	195			195
220					San Francisco's Ward	220			220
111					San Francisco's Hospital	111			111
110					Houseman's Overnight	110			110
192					Mousing	192			192
490					Social Service	490			490
34					Special Anecdotal Book Fund	34			34
					Operational Services				
					Vocational Education -				
					School				
\$1,900,747	\$1,102,353	\$142,915,972	\$57,614	\$148,008,686		\$148,008,686	\$19,000	\$13,117	\$147,882,569

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

- AND -

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30 1954

<u>Cash</u>		<u>Total</u>	<u>Encum- brances</u>	<u>Fund balances</u>
\$ 624	Absent Creditors	\$ 624		\$ 624
10,596	Absent Heirs	10,596		10,596
41,292	Adult Probation Officers' Deposit	41,292		41,292
1,044	Adult Probation Officers' Clearing Account	1,044		1,044
522	California Palace of the Legion of Honor	522		522
	California Unemployment Insurance			
177	Taxes - Redevelopment Agency	177		177
19,419	Coroner's Unclaimed Money	19,419		19,419
51,909	County Clerk Bail	51,909		51,909
353,677	County Clerk Special	353,677		353,677
221,279	County Clerk Special - State Highway Commission	221,279		221,279
1,441	de Young Museum	1,441		1,441
20,362	Duplicate Taxes	20,362		20,362
3,008	Electrical Deposits	3,008		3,008
35,016	F.I.C.A. Taxes - Municipal Railway	35,016		35,016
394	F.I.C.A. Taxes - Redevelopment Agency	394		394
13	F.I.C.A. Taxes - Parking Authority	13		13
12,654	Jail Stores Deposits	12,654	\$113	12,541
8,719	Juvenile Court Deposits	8,719		8,719
235	Library Card Deposits	235		235
103,714	Municipal Court Bail	103,714		103,714
30,553	Municipal Court Special	30,553		30,553
1,014	Municipal Court Suspense	1,014		1,014
998	Police Department Deposits	998		998
199,262	Realty Deposits	199,262		199,262
1,254	School Teachers' Sabbatical Leave	1,254		1,254
575	Sheriff's Inmate Welfare Fund	575	289	286
84,790	Sheriff's Trust	84,790		84,790
450	Special Badge	450		450
465	Street Improvement	465		465
665	Street Improvement - Ordinance 1934	665		665
10,148	Sunset Tunnel Assessment Refund	10,148		10,148
25,416	Traffic Court Suspense	25,416		25,416
18,779	Twin Peaks Tunnel Refund	18,779		18,779
56,221	War Bonds	56,221		56,221
737,187	Withholding Tax - General	737,187		737,187
577,821	Withholding Tax - S. F. Unified School District	577,821		577,821
208,714	Withholding Tax - Municipal Railway	208,714		208,714
<u>\$2,840,407</u>		<u>\$2,840,407</u>	<u>\$402</u>	<u>\$2,840,005</u>

CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)
- AND -
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30 1954

Cash	Receiv- ables	Total	Assessment and Redemption Funds	Total	Inter- fund accounts	Encum- brances	Fund balances
\$ 1,302		\$ 1,302	Circular Avenue Assessments	\$ 1,302			\$ 1,302
4,233		4,233	Circular Avenue Redemptions	4,233			4,233
938		938	City Lands Assessment	938			938
3,623		3,623	City Lands Redemption	3,623			3,623
142		142	Oakwood Street Assessments	142			142
64		64	Saturn Street Redemptions	64			64
	\$332	332	Sunset Tunnel Assessments	332			332
	9	9	Twin Peaks Tunnel Assessments	9			9
461		461	Virginia Avenue Assessments	461			461
1,580		1,580	Virginia Avenue Redemptions	1,580			1,580
<u>\$12,343</u>	<u>\$341</u>	<u>\$12,684</u>		<u>\$12,684</u>			<u>\$12,684</u>
Agency Funds							
\$ 535		\$ 535	Law Library	\$ 535			\$ 535
46,821		46,821	Redevelopment Agency	46,821			40,701
382,630		382,630	State County Fair	382,630	\$6,120		378,378
10,731		10,731	State Fines and Forfeitures	10,731		\$4,252	10,731
279,689		279,689	State Inheritance Tax	279,689			279,689
3,333		3,333	State Sales Tax	3,333			3,333
13,545		13,545	State Teachers' Annuity Deposit	13,545			13,545
19,231		19,231	State Teachers' Retirement, Permanent	19,231			19,231
<u>\$756,515</u>		<u>\$756,515</u>		<u>\$756,515</u>	<u>\$6,120</u>	<u>\$4,252</u>	<u>\$746,143</u>

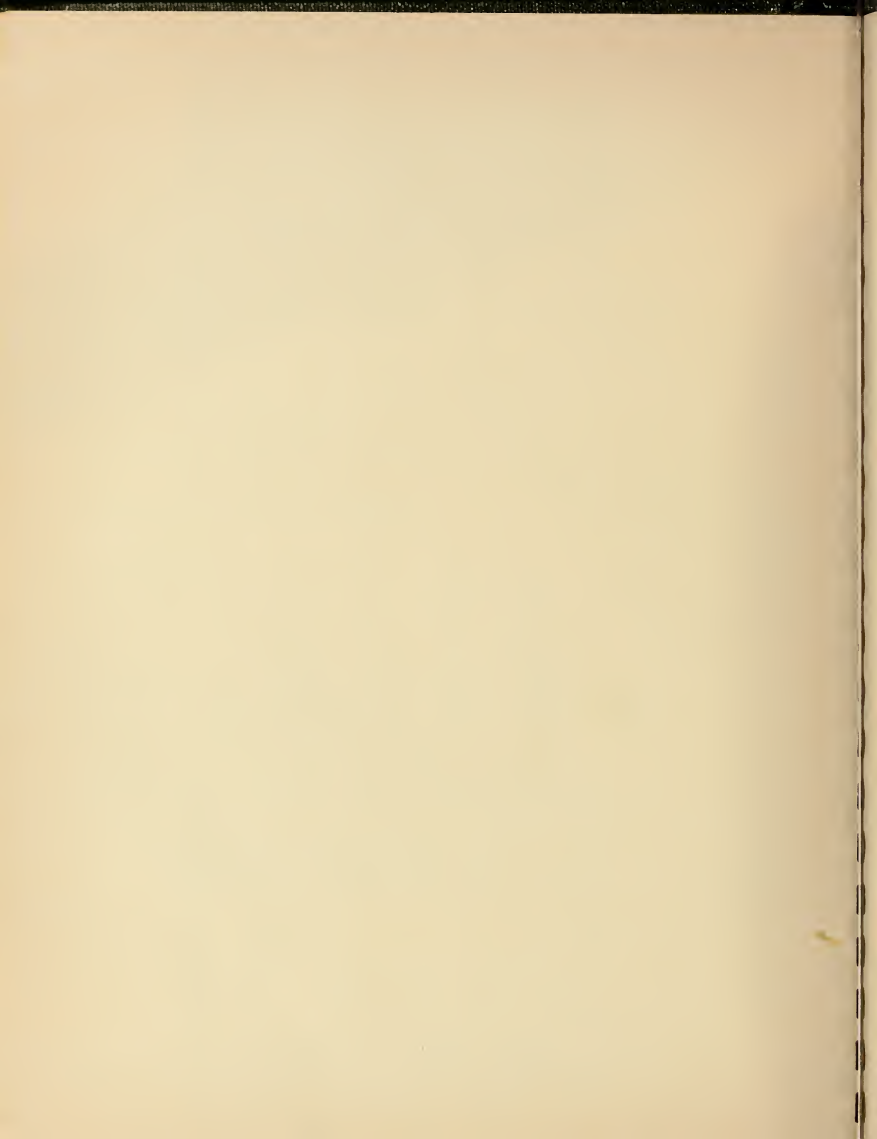
CITY AND COUNTY OF SAN FRANCISCOPUBLIC SERVICE ENTERPRISESRECONCILIATION OF PROPRIETARY SURPLUS WITH UNAPPROPRIATEDBALANCE OF FUNDS, JUNE 30 1954

Proprietary surplus:		
Municipal Railway of San Francisco	\$ 2,040,852	
Water Department	55,989,628	
Hetch Hetchy Water Supply and Power Project	46,804,748	
Airport Department	28,988,020	
Public Utilities Commission	<u>2,148,634</u>	\$135,971,882
Add:		
Proprietary liabilities, reserves, etc. not recorded in fund accounts:		
Bonded indebtedness	\$103,857,000	
Accrued bond interest	<u>1,325,335</u>	
	\$105,182,335	
Less- Included in 1953-54 budget	<u>2,723,750</u>	102,458,585
Reserves for accident and compensation claims, etc.		3,429,646
Sundry payables		962,541
Deferred credits		420,655
Receivable reserves (net)		<u>89,019</u>
		\$243,332,328
Deduct:		
Fund reserves not recorded in proprietary accounts:		
For unencumbered appropriations	\$ 7,133,002	
For encumbrances (additional)	762,069	
For interdepartmental work orders, etc.	<u>70,837</u>	
Proprietary assets not recorded in fund accounts:		
Fixed assets	223,021,854	
Deferred charges	10,534,341	
Revolving funds	<u>52,650</u>	241,574,753
Unappropriated balance of funds, per listing of individual fund balance sheets (Exhibit M)		<u>\$1,757,575</u>

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS

JUNE 30 1954

Cash	Receivable	Other resources	Interfund accounts	Total	Reserves	Interfund accounts	Encum- brances	Unencumbered appropri- ations	Unappro- priated
Hetch Hetchy:									
\$ 676,967	\$353,245		\$452,497	\$ 1,482,709					
1,341,250				1,341,250	\$1,341,250				\$192,767
1,341,250				1,341,250		290,200			540,846
7,818,650				7,818,650		60,550	7,130,980		216,695
\$10,669,615	\$353,245		\$452,497	\$11,475,357	\$1,341,250	\$793,412	\$7,303,074	\$1,688,159	\$409,162
Water Department:									
\$4,283,413	\$1,241,489		\$1,063,574	\$6,588,266	\$ 204,198				\$921,931
1,368,416				1,368,416	1,362,560				8,415
1,368,416				1,368,416		1,450		410	7,391
9,251				9,251					
\$5,663,309	\$1,241,489		\$1,063,574	\$7,968,372	\$1,586,698	\$874,619	\$1,264,586	\$3,332,223	\$930,246
Municipal Railway:									
\$ 933,624	\$51,978		\$11,227	\$ 996,729	\$213				\$246,329
228,181				228,181					
\$1,161,705	\$51,978		\$11,227	\$1,224,910					\$246,329
Airport:									
\$ 786,518	\$421,267		\$ 9,857	\$1,157,642	\$27,179	\$938,449	\$ 18,815	\$ 20,802	\$152,397
17,121				17,121					17,121
9,714				9,714		49,931	101,420	750,363	20
1,305,080			119,733	1,275,733		28,000	498,982	750,731	
437,085		\$119,733		556,818		139,233	357,603	59,982	
\$3,238,378	\$421,267		\$129,590	\$3,908,968	\$27,179	\$1,153,613	\$976,760	\$1,581,878	\$169,538
\$108,152	\$7,348		\$565,999	\$681,499	\$7,348	\$535,956	\$11,843	\$126,352	
\$20,861,159	\$2,075,357		\$119,733	\$22,222,887	\$2,962,688	\$3,586,430	\$9,839,411	\$7,133,002	\$1,797,979



San Francisco Water Department

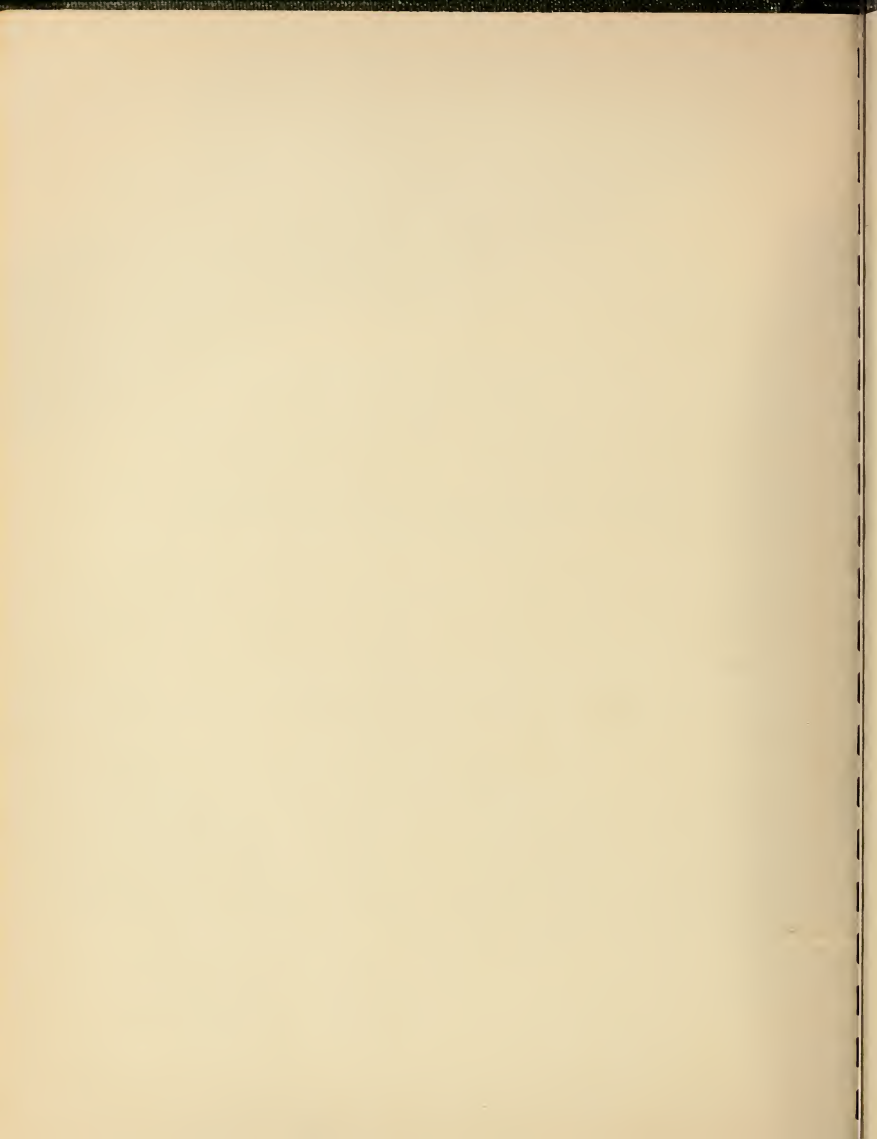
AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1954



TOUCHE, NIVEN, BAILEY & SMART

CERTIFIED PUBLIC ACCOUNTANTS

BOSTON
CHICAGO
CLEVELAND
DAYTON
DETROIT
HOUSTON
KANSAS CITY
LOS ANGELES
MILWAUKEE
MINNEAPOLIS
NEW YORK
PITTSBURGH
ST. LOUIS
SAN FRANCISCO
SEATTLE

CORRESPONDENTS IN
CANADA, GREAT BRITAIN
AND OTHER FOREIGN COUNTRIES

100 BUSH STREET
SAN FRANCISCO 4, CAL.

September 23, 1954

Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California.

We have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1954, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except as referred to in the following paragraph.

Our engagement did not contemplate the application of normal audit procedures with respect to cash deposited with the Treasurer and with respect to bonded debt at June 30, 1954. We obtained confirmation from the Controller of the City and County of San Francisco of cash deposited with the Treasurer and of bonded debt at June 30, 1954, and applied other audit procedures in support of these accounts.

This report, the program of examination, and our working papers on this engagement have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

In our opinion, subject to the limitations on the scope of our examination of cash deposited with the Treasurer and of bonded debt, as set forth in the second preceding paragraph, the accompanying combining balance sheet and combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco at June 30, 1954, and the results of their operations for the year then ended, in conformity with generally accepted principles of governmental accounting applied on a basis consistent with that of the preceding year.

Touche, Niven, Bailey & Smart
Certified Public Accountants

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING BALANCE SHEET

June 30, 1954

<u>ASSETS</u>	<u>Combined</u>	<u>Elimina- tions</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
PROPERTY, PLANT, AND EQUIPMENT (Note A):				
Properties in service (including \$5,958,543 water rights and other intangible properties)	\$218,506,532		\$96,756,187	\$121,750,345
Properties not in service	<u>1,285,689</u>		<u>816,960</u>	<u>468,729</u>
	\$219,792,221		\$97,573,147	\$122,219,074
Less accumulated depreciation	<u>63,880,871</u>		<u>31,808,808</u>	<u>32,072,063</u>
	\$155,911,350		\$65,764,339	\$90,147,011
Construction in progress	<u>3,769,192</u>		<u>709,651</u>	<u>3,059,541</u>
TOTAL PROPERTY, PLANT, AND EQUIPMENT	\$159,680,542		\$66,473,990	\$93,206,552
CASH:				
Cash deposited with Treasurer	\$ 17,330,379		\$ 6,070,465	\$ 11,259,914
Revolving funds	<u>34,000</u>		<u>30,000</u>	<u>4,000</u>
Cash in transit	<u>184,355</u>			<u>184,355</u>
TOTAL CASH	\$ 17,548,734		\$ 6,100,465	\$ 11,448,269
ACCOUNTS RECEIVABLE:				
Consumers' accounts (Note B)	\$ 1,245,422		\$ 1,102,891	\$ 142,531
Other accounts	<u>163,379</u>		<u>136,390</u>	<u>26,989</u>
	\$ 1,408,801		\$ 1,239,281	\$ 169,520
Less allowance for doubtful accounts	<u>125,373</u>		<u>125,373</u>	
TOTAL ACCOUNTS RECEIVABLE	\$ 1,283,428		\$ 1,113,908	\$ 169,520
DUE FROM CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments	\$ 191,575	\$396,087	\$ 328,986	\$ 258,676
General departments and funds	<u>2,332</u>		<u>1,678</u>	<u>657</u>
TOTAL DUE FROM CITY AND COUNTY OF SAN FRANCISCO	\$ 193,910	\$396,087	\$ 330,664	\$ 259,333
DEFERRED CHARGES AND OTHER ASSETS:				
Materials and supplies	\$ 504,209		\$ 458,668	\$ 45,541
Deferred maintenance and development costs	<u>63,976</u>		<u>825</u>	<u>63,151</u>
Deposits and other accounts	<u>59,025</u>		<u>55,792</u>	<u>3,233</u>
TOTAL DEFERRED CHARGES AND OTHER ASSETS	\$ 627,210		\$ 515,285	\$ 111,925
	<u>\$179,333,824</u>	<u>\$396,087</u>	<u>\$74,534,312</u>	<u>\$105,195,599</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING BALANCE SHEET

June 30, 1954

<u>LIABILITIES</u>	<u>Combined</u>	<u>Elimina- tions</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
BONDED DEBT (Note C):				
Maturing within one year	\$ 5,217,000		\$ 1,000,000	\$ 4,217,000
Maturing after June 30, 1955	<u>67,788,000</u>		<u>16,000,000</u>	<u>51,788,000</u>
TOTAL BONDED DEBT	\$ 73,005,000		\$17,000,000	\$ 56,005,000
ACCRUED BOND INTEREST	\$ 1,180,911		\$ 382,500	\$ 798,411
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES:				
Matured bonds and interest coupons not presented for payment	\$ 142,001		\$ 42,530	\$ 99,471
Warrants outstanding	777,069		310,368	466,701
Accounts payable	282,505		88,112	194,393
Income taxes and other amounts withheld from employees	58,420		34,258	24,162
Amounts retained under construction contracts	153,659		36,395	117,264
Consumers' deposits and construction advances	190,852		190,852	
Rent accrued under Raker Act	<u>15,000</u>			<u>15,000</u>
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 1,619,506		\$ 702,515	\$ 916,991
DUE TO CITY AND COUNTY OF SAN FRANCISCO:				
Other public service departments	\$ 43,564	\$396,087	\$ 102,049	\$ 337,602
General departments and funds	<u>350,581</u>		<u>39,868</u>	<u>310,713</u>
TOTAL DUE TO CITY AND COUNTY OF SAN FRANCISCO	\$ 394,145	\$396,087	\$ 141,917	\$ 648,315
RESERVES:				
Workmen's compensation claims and other costs (Note D)	\$ 220,221		\$ 198,087	\$ 22,134
Other	<u>119,665</u>		<u>119,665</u>	
TOTAL RESERVES	\$ 339,886		\$ 317,752	\$ 22,134
SURPLUS (Investment of City and County of San Francisco)	\$102,794,376		\$55,989,628	\$ 46,804,748
COMMITMENTS AND CONTINGENT LIABILITIES (Notes B and D):				
Commitments under contracts and purchase orders	\$8,150,000			
Less deferred charges for materials, supplies, and construction costs	<u>8,150,000</u>			
	<u>\$179,333,824</u>	<u>\$396,087</u>	<u>\$74,534,312</u>	<u>\$105,195,599</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF SURPLUS

Year ended June 30, 1954

	<u>Combined</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
BALANCE AT JULY 1, 1953	\$ 97,507,525	\$50,952,198	\$46,555,327
ADDITIONS:			
Excess of revenues over expenses	5,278,894	3,688,874	1,590,020
Advances from federal government for Cherry Valley Reservoir project (Note A)	210,210		210,210
Properties acquired without cost to the department	<u>36,737</u>	<u>36,737</u>	
	\$103,033,366	\$54,677,809	\$48,355,557
DEDUCTION:			
Adjustment resulting from appraisal of properties as of June 30, 1953 (Note A)	<u>238,990</u>	<u>188,291</u>	<u>50,699</u>
	\$102,794,376	\$54,489,518	\$48,304,858
INTERDEPARTMENTAL TRANSFERS			
(Charges* or credits):			
For cost of properties placed in service with Water Department (Paid from proceeds of 1947 Hetch Hetchy Water Bonds)		\$ 1,934,988	\$ 1,934,988*
For portion of bond redemption and interest on 1947 Hetch Hetchy Water Bonds applicable to properties in service with Water Department:			
Bond redemption		403,931*	403,931
Interest		<u>30,947*</u>	<u>30,947</u>
TOTAL INTERDEPARTMENTAL TRANSFERS		<u>\$ 1,500,110</u>	<u>\$ 1,500,110*</u>
BALANCE AT JUNE 30, 1954	<u>\$102,794,376</u>	<u>\$55,989,628</u>	<u>\$46,804,748</u>

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINING STATEMENT OF REVENUES AND EXPENSES

Year ended June 30, 1954

	<u>Combined</u>	<u>Eliminations</u>	<u>Water Department</u>	<u>Hetch Hetchy Water Supply and Power Project</u>
OPERATING REVENUES:				
Sales of water and services	\$12,133,574	\$3,545,590	\$12,133,574	\$3,545,590
Sales of electrical energy	<u>4,289,746</u>			<u>4,289,746</u>
TOTAL OPERATING REVENUES	\$16,423,320	\$3,545,590	\$12,133,574	\$7,835,336
OPERATING EXPENSES:				
Production expenses	\$ 451,596			\$ 451,596
Stand-by charge and purchases of water		\$3,545,590	\$ 3,545,590	
Purchases of electrical energy	545,607			545,607
Source of water supply	393,602		393,602	
Pumping	379,634		379,634	
Purification	144,534		144,534	
Transmission and distribution of water	965,134		965,134	
Transmission and distribution of power	1,304,791			1,304,791
Commercial expenses	611,132		596,344	14,788
Administrative and general expenses	1,698,569		1,231,534	467,035
Provision for doubtful accounts	<u>59,278</u>		<u>59,278</u>	
Depreciation	\$ 6,553,877	\$3,545,590	\$ 7,315,650	\$2,783,817
	<u>2,889,915</u>		<u>1,077,970</u>	<u>1,811,945</u>
TOTAL OPERATING EXPENSES	\$ 9,443,792	\$3,545,590	\$ 8,393,620	\$4,595,762
	\$ 6,979,528		\$ 3,739,954	\$3,239,574
OTHER REVENUES:				
Gain from sales of properties	\$ 547,258		\$ 544,347	\$ 2,911
Rentals received, including sales of crops	350,638		320,638	30,000
Interest earned	18,750		18,750	
Miscellaneous	<u>63,214</u>		<u>39,358</u>	<u>23,856</u>
TOTAL OTHER REVENUES	\$ 979,860		\$ 923,093	\$ 56,767
	\$ 7,959,388		\$ 4,663,047	\$3,296,341
OTHER EXPENSES:				
Interest on bonded debt	\$ 2,620,436		\$ 914,115	\$1,706,321
Agricultural division and crop expense	48,842		48,842	
Miscellaneous	<u>11,216</u>		<u>11,216</u>	
TOTAL OTHER EXPENSES	\$ 2,680,494		\$ 974,173	\$1,706,321
EXCESS OF REVENUES OVER EXPENSES	\$ 5,278,894		\$ 3,688,874	\$1,590,020

See notes to financial statements.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECTNOTES TO FINANCIAL STATEMENTS

Year ended June 30, 1954

NOTE A - Property, Plant, and Equipment

The Charter of the City and County of San Francisco provides in Section 128 that the Public Utilities Commission is to make an appraisal of the properties and a redetermination of depreciation every five years. Accordingly, the results of the initial appraisal as of June 30, 1938, and of subsequent appraisals, are reflected in the accounts at June 30, 1954. Adjustments arising from the appraisal made as of June 30, 1953 were recorded during the current year and resulted in a net charge to combined surplus of \$238,990. Additions to properties subsequent to the respective appraisal dates have been recorded at cost and subsequent annual depreciation provisions have been based on redetermined depreciation rates. The carrying amount of the properties and the accumulated depreciation at June 30, 1954, are subject to further review and adjustment by the Public Utilities Commission in 1958, and every five years thereafter so long as Section 128 of the Charter is effective.

Total additions to combined properties in service during the year ended June 30, 1954, amounted to \$6,196,639. A summary of the major additions follows:

Water Department:	
Lake Merced pump station	\$1,260,555
Sunset Supply Line:	
Millbrae to Burlingame section	1,153,109
Baden to Millbrae section	955,023
Water mains, service connections, and related appurtenances	1,152,835
Alameda Creek siphon	525,466
Bay Division Pipeline No. 3	63,228
Mt. Davidson pump station	45,793
Land and rights of way	33,882
Other	<u>136,948</u>
Total Water Department	\$5,326,839
Hetch Hetchy Water Supply and Power Project:	
Relining of San Joaquin Pipeline No. 1	\$ 669,743
Cherry Valley access roads	86,496
Installation of transformers	24,106
South Fork maintenance facilities	16,225
Other	<u>73,230</u>
Total Hetch Hetchy Water Supply and Power Project	\$ 869,800
Total additions	<u>\$6,196,639</u>

A summary of properties in service and properties not in service, and related accumulated depreciation at June 30, 1954, follows:

	<u>Properties</u>	<u>Accumulated Depreciation</u>
Properties in service:		
Water Department:		
Water rights and other intangible properties	\$ 3,222,913	
Land and rights of way	14,057,009	
Buildings, structures, and grounds	1,512,845	\$ 755,494
Source of water supply	29,156,774	7,966,113
Pumping station equipment	1,379,553	324,849
Purification system	248,079	92,488
Transmission and distribution system	45,607,430	21,452,737
General equipment	298,617	171,982
Automotive equipment	387,151	237,071
Undistributed interest during construction	<u>885,816</u>	<u>295,127</u>
Total Water Department	\$ 96,756,187	\$31,295,861
Hetch Hetchy Water Supply and Power Project:		
Water supply properties:		
Water rights and other intangible properties	\$ 2,735,630	
Land and rights of way	2,700,952	\$ 52,999
Buildings, structures, and grounds	573,689	129,185
Source of water supply	102,113,753	24,293,589
Purification system	37,314	24,872
General equipment	<u>313,919</u>	<u>187,989</u>
Total water supply properties	\$108,475,257	\$24,688,634
Power properties:		
Land and rights of way	\$ 143,539	
Buildings, structures, and grounds	1,899,174	\$ 1,015,915
Hydraulic production plant	8,227,251	4,190,558
Transmission system	2,663,384	2,068,577
General equipment	<u>341,740</u>	<u>77,159</u>
Total power properties	\$ 13,275,088	\$ 7,352,209
Total Hetch Hetchy Water Supply and Power Project	<u>\$121,750,345</u>	<u>\$32,040,843</u>
Total properties in service	\$218,506,532	\$63,336,704
Properties not in service:		
Water Department	\$ 816,960	\$ 512,947
Hetch Hetchy Water Supply and Power Project	<u>468,729</u>	<u>31,220</u>
Total properties not in service	\$ 1,285,689	\$ 544,167
	<u>\$219,792,221</u>	<u>\$63,880,871</u>

A summary of construction in progress at June 30, 1954, follows:

Water Department:

Replacement of portion of Crystal Springs Pipeline	\$ 221,422
Summit Reservoir	212,515
Guadalupe by-pass	137,166
Other	<u>138,548</u>
Total Water Department	\$ 709,651

Hetch Hetchy Water Supply and Power Project:	
Cherry Valley Reservoir	\$2,888,437
Reconstruction of Moccasin penstock anchors	64,947
Sunset Supply Line	63,707
Other	<u>42,450</u>

Total Hetch Hetchy Water Supply and Power Project	<u>\$3,059,541</u>
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Total construction in progress	<u>\$3,769,192</u>
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Major construction projects in progress at June 30, 1954, have estimated total costs of \$19,000,000. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$13,000,000 at that date.

The costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,000,000. A portion of the funds necessary for construction is provided by the federal government under provisions of a contract, dated August 29, 1949, between the federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.

The funds from the federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000 of the funds to be received from the federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1954, the federal government had paid \$7,113,350 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the federal government are subject, on the part of the government, to the authorization and

the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000, of which \$8,469,900 has been appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

NOTE B - Accounts Receivable

Revenues for water and power services furnished to consumers are taken into income when they are billed. In general, major industrial consumers of water and consumers of electric energy are billed each month, and residential and small industrial consumers of water are billed bi-monthly.

The Water Department has billed certain of its consumers additional amounts aggregating \$219,038 for water furnished in the period generally from November, 1950, to June, 1954, following a legal opinion of the City Attorney that contracts with these consumers, providing for delivery of water at discounts or free of charge, were illegal and unenforceable. Losses which may be incurred in the collection of these billings have been provided for in the accompanying financial statements. Certain of the consumers affected by these billings have filed claims against the City and County of San Francisco for damages, and a test case has been filed contesting the legality of the action taken by the City in cancelling such contracts. No provision has been made in the accompanying financial statements for damages, if any, resulting from these claims and the suit filed, which are being defended by the City Attorney.

NOTE C - Bonded Debt

Unmatured bonded debt of the City and County of San Francisco applicable to the Water Department and the Hatch Hetchy Water Supply and Power Project aggregates \$73,005,000 at June 30, 1954. The bonds have been issued upon the general faith and credit of the City and County of San Francisco in accordance with resolutions adopted by the Board of Supervisors following authorization by the electors.

A summary of bonded debt at June 30, 1954, follows:

Water Department:	
Spring Valley - 1928, 4-1/2%	\$17,000,000
Hetch Hetchy Water Supply and Power Project:	
Water - 1910, 4-1/2%	\$11,000,000
Hetch Hetchy Water - 1925, 5%	3,750,000
Hetch Hetchy - 1928, 4-1/2%	14,400,000
Hetch Hetchy - 1932, 2-3/4% to 5-3/4%	3,300,000
1947 Hetch Hetchy Water, Series A - 1948, 2% and 2-1/2%	5,250,000
1947 Hetch Hetchy Water, Series C - 1949, 1-1/4%	1,350,000
1947 Hetch Hetchy Water, Series D - 1949, 1% to 1-1/2%	7,648,000
1947 Hetch Hetchy Water, Series E - 1950, 1-1/4% and 1-1/2%	3,782,000
1947 Hetch Hetchy Water, Series F - 1953, 2-1/4% to 6%	1,700,000
1949 Cherry Valley Dam, Series A - 1952, 1-1/4% and 1-1/2%	900,000
1949 Cherry Valley Dam, Series B - 1952, 1-1/2% and 1-3/4%	<u>2,925,000</u>
Total Hetch Hetchy Water Supply and Power Project	<u>\$56,005,000</u>
Total unmatured bonded debt	<u>\$73,005,000</u>

In general, the bonds mature serially at varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

<u>Year Ending</u> <u>June 30.</u>	<u>Amount</u>
1955	\$5,217,000
1956	5,217,000
1957	4,973,000
1958	4,972,000
1959	4,972,000

NOTE D - Contingent Liabilities

Contingent liabilities as of June 30, 1954, are as follows:

The departments act as self-insurers generally against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against water contamination damage losses. The ultimate losses under these self-insured risks are indeterminable. Reserves aggregating \$220,221, at June 30, 1954, have been established to provide generally for workmen's compensation, public liability, and property damage claims and, in addition, to provide for vacations and sick leave of certain employees, the total liability for which is indeterminable.

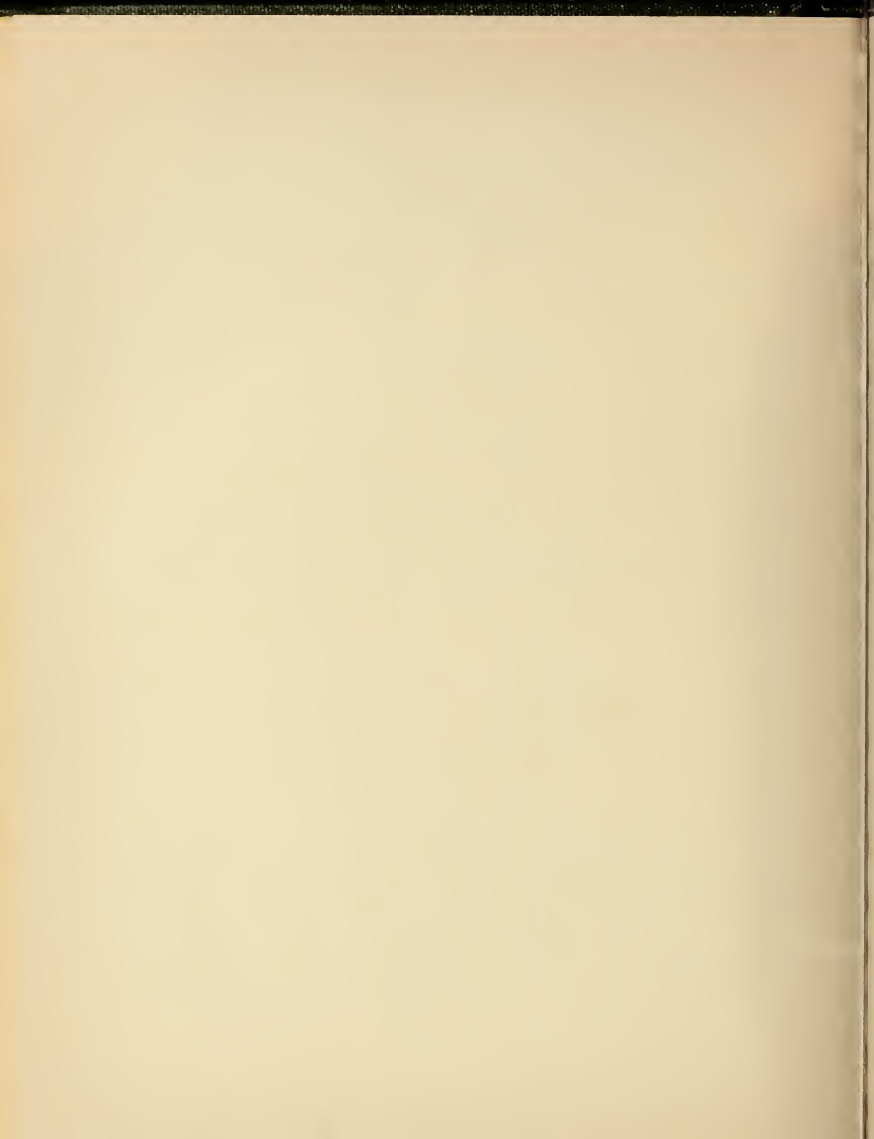
Under retirement plan arrangements, authorized by the electors, payments of approximately \$352,000 were made in the year ended June 30, 1954, to the Employees' Retirement System to cover a portion of the cost of the plan for present services for that year. The remainder of the cost of the plan, including prior service pension costs, is paid jointly by the participating employees and the City and County of San Francisco. The portion of the total cost applicable to the Water Department and the Hetch Hetchy Water Supply and Power Project is determined by consulting actuaries and is expressed as a percentage of the salaries and wages of participating employees.

NOTE E - General

The accompanying financial statements include only those assets and liabilities of the City and County of San Francisco designated and recorded as employed in the operations of the Water Department and the Hetch Hetchy Water Supply and Power Project.

Under provisions of Section 122 of the Charter, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1954.

During the year ended June 30, 1954, water furnished to certain municipal departments without charge amounted to approximately \$685,000, computed by the Water Department at regular billing rates. This amount has been computed in token of compliance with Section 64 of the Charter which provides generally for an estimate of the amount of property and other taxes for which utilities would be liable if privately owned.



Municipal Railway of San Francisco



REPORT ON EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1954

L. H. PENNEY & CO.
CERTIFIED PUBLIC ACCOUNTANTS

San Francisco, California

October 4, 1954

Honorable H. D. Ross,
Controller, City and
County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the financial statements of the
Municipal Railway of San Francisco listed below:

EXHIBIT A - Balance Sheet, June 30, 1954

Schedule A-1 - Summary of Road and Equipment for the
Year Ended June 30, 1954

Schedule A-2 - Summary of Road and Equipment
Depreciation for the Year
Ended June 30, 1954

Schedule A-3 - Notes to Schedule A-1 and A-2

Schedule A-4 - Unmatured Bonded Debt,
June 30, 1954

EXHIBIT B - Statement of Income for the Years Ended
June 30, 1954 and 1953, and Comparison

EXHIBIT C - Statement of Surplus for the Year
Ended June 30, 1954

Our examination was made in accordance with generally
accepted auditing standards and accordingly included such tests
of the accounting records and such other auditing procedures
as we considered necessary in the circumstances.

Our report and working papers have been made available
to Mr. David F. Supple, consultant and statistician for the
Grand Jury.

In our opinion, the accompanying financial statements
present fairly the financial position of the Municipal Railway
of San Francisco at June 30, 1954, and the results of its
operations for the fiscal year then ended, on a basis consistent
with that of the previous year.

Very truly yours,

L. H. Penney & Co.

OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1954 resulted in a loss of \$882,472.90 as compared with a profit of \$497,968.93 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1954 and 1953, is as follows (cents omitted).

	--Year Ended June 30,-- <u>1954</u>	<u>1953</u>	Increase (Decrease)
Operating income:			
Passenger revenue	\$21,976,748	\$23,328,179	(\$1,351,431)
Advertising, rents, etc.	<u>160,877</u>	<u>163,802</u>	(<u>2,925</u>)
Total operating income	\$22,137,625	\$23,491,981	(\$1,354,356)
Operating expenses	<u>22,682,179</u>	<u>22,850,967</u>	(<u>168,788</u>)
Profit (loss) from operations	(\$ 544,554)	\$ 641,014	(\$1,185,568)
Other income	<u>24,498</u>	<u>154,072</u>	(<u>129,574</u>)
Remainder	(\$520,056)	\$795,086	(\$1,315,142)
Other expense	<u>362,417</u>	<u>297,117</u>	<u>65,300</u>
Profit (loss) for the year	(\$ <u>882,473</u>)	<u>\$497,969</u>	(\$ <u>1,380,442</u>)

The decrease in passenger revenue was largely attributable to a decrease in the number of fare passengers carried. The basic cash fare of fifteen cents remained unchanged during the year except that a five cent Shoppers' Shuttle Bus service, with no transfer privilege, was put into effect on September 14, 1953 in the downtown area between the hours of 10:00 A. M. and 3:30 P. M. on weekdays.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

Type of Equipment	-----Year Ended June 30,-----					
	-----1954-----	Per Cent	-----1953-----	Per Cent	Decrease	
	<u>Mileage</u>	<u>of Total</u>	<u>Mileage</u>	<u>of Total</u>	<u>Mileage</u>	
Motor coaches	14,777,994	49.97	14,981,737	49.03	203,743	
Trolley coaches	9,966,056	33.69	10,590,388	34.66	624,332	
Electric street cars	4,039,163	13.66	4,147,560	13.58	108,397	
Cable cars	<u>792,261</u>	<u>2.68</u>	<u>834,209</u>	<u>2.73</u>	<u>41,948</u>	
Totals	<u>29,575,474</u>	<u>100.00</u>	<u>30,553,894</u>	<u>100.00</u>	<u>978,420</u>	

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary.

Type of Equipment	-----Year Ended June 30,-----					
	-----1954-----	Per Cent	-----1953-----	Per Cent	Decrease	
	<u>Hours</u>	<u>of Total</u>	<u>Hours</u>	<u>of Total</u>	<u>Hours</u>	
Motor coaches	1,486,362	45.81	1,592,132	45.45	105,770	
Trolley coaches	1,190,709	36.70	1,304,922	37.25	114,213	
Electric street cars	428,885	13.22	459,209	13.11	30,324	
Cable cars	<u>138,343</u>	<u>4.27</u>	<u>146,559</u>	<u>4.19</u>	<u>8,216</u>	
Totals	<u>3,244,299</u>	<u>100.00</u>	<u>3,502,822</u>	<u>100.00</u>	<u>258,523</u>	

The overall reduction in both miles traveled and hours operated results primarily from the discontinuance of certain lines and the curtailment of service on various routes during off-peak hours.

Operating income and expenses are expressed in cents per mile traversed as follows.

	-----Cents Per Mile-----		
	Year Ended	June 30,	Increase
	<u>1954</u>	<u>1953</u>	<u>(Decrease)</u>
Operating income:			
Passenger revenue	74.307	76.351	(2.044)
Advertising, rents, etc.	<u>.544</u>	<u>.536</u>	<u>.008</u>
Total operating income	<u>74.851</u>	<u>76.887</u>	<u>(2.036)</u>
Operating expenses:			
Maintenance and repairs -			
Ways and structures	2.548	2.217	.331
Equipment	<u>7.575</u>	<u>7.182</u>	<u>.393</u>
Total maintenance and repairs	10.123	9.399	.724
Power	7.805	7.287	.518
Conducting transportation	38.464	36.963	1.501
General and miscellaneous	7.912	8.700	(.788)
Taxes	<u>.682</u>	<u>.566</u>	<u>.116</u>
	64.986	62.915	2.071
Provision for accident claims	5.573	5.726	(.153)
Provision for depreciation	<u>6.134</u>	<u>6.148</u>	<u>(.014)</u>
Total operating expense	<u>76.693</u>	<u>74.789</u>	<u>1.904</u>
Profit (loss) from operations	<u>(1.842)</u>	<u>2.098</u>	<u>(3.940)</u>

Operating income and expenses are expressed in dollars per hour of operation as follows:

-----Dollars Per Hour-----
 Year Ended June 30, Increase
1954 1953 (Decrease)

Operating income:

Passenger revenue	6.774	6.659	.115
Advertising, rents, etc.	<u>.049</u>	<u>.047</u>	<u>.002</u>
Total operating income	<u>6.823</u>	<u>6.706</u>	<u>.117</u>

Operating expenses:

Maintenance and repairs -

Ways and structures	.232	.193	.039
Equipment	<u>.691</u>	<u>.627</u>	<u>.064</u>
Total maintenance and repairs	.923	.820	.103
Power	.711	.636	.075
Conducting transportation	3.507	3.224	.283
General and miscellaneous	.721	.759	(.038)
Taxes	<u>.062</u>	<u>.049</u>	<u>.013</u>
	5.924	5.488	.436

Provision for accident claims	.508	.499	.009
Provision for depreciation	<u>.559</u>	<u>.536</u>	<u>.023</u>

Total operating expense	<u>6.991</u>	<u>6.523</u>	<u>.468</u>
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Profit (loss) from operations	<u>(.168)</u>	<u>.183</u>	<u>.351</u>
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The decrease in operating expense for the year ended June 30, 1954 as compared with that of the previous year for each of the major expense classifications, segregated between pay roll and other costs, is as follows (cents omitted):

	Increase (Decrease)		
	----In Operating Expense----		
	<u>Total</u>	<u>Pay Roll</u>	<u>Other</u>
Maintenance and repairs:			
Ways and structures	\$ 76,125	\$ 25,322	\$ 50,803
Equipment	<u>46,102</u>	<u>73,752</u>	(<u>27,650</u>)
	\$122,227	\$ 99,074	\$ 23,153
Power	81,645	3,479	78,166
Conducting transportation	82,296	82,210	86
General and miscellaneous	(318,030)	19,003	(337,033)
Taxes	<u>28,754</u>	<u> </u>	<u>28,754</u>
	(\$ 3,108)	\$203,766	(\$206,874)
Provision for accident claims	(101,350)		(101,350)
Provision for depreciation	(<u>64,329</u>)	<u> </u>	(<u>64,329</u>)
Increase (decrease) in operating expense	(<u>\$168,787</u>)	<u>\$203,766</u>	(<u>\$372,553</u>)

The increase in pay roll costs resulted primarily from the increases in rates of pay effective as of July 1, 1953. The rate of pay for platform men, whose wages are the major portion of the Railway's pay roll cost, were increased slightly more than three per cent on July 1, 1953. The comparative rates for some of the principal pay roll classifications for the year under review and for the preceding year are as follows.

<u>Classification</u>	-----Rates Effective-----		
	<u>Per</u>	<u>July 1, 1953</u>	<u>July 1, 1952</u>
Platform men	Hour	\$ 1.894	\$ 1.835
Trackmen	Day	16.00	14.80
Shop mechanics	Day	17.00	15.98
Senior shop mechanics	Day	20.00	18.80
Automotive mechanics	Week	94.50	94.50
Automotive machinists	Week	99.50	99.50
Car cleaners and janitors	Month	245-295	230-280
Inspectors	Month	350-400	320-370
General clerks	Month	260-320	240-300

The principal reason for the decrease in general and miscellaneous expense of \$337,033 was a rate reduction in the pension contribution to the Retirement System from 8.963% of pay rolls in the fiscal year 1952-1953 to 6.502% in the fiscal year 1953-1954. The reduction amounted to \$292,412.36.

BALANCE SHEET

The financial position of the Railway at June 30, 1954 is summarized and compared with the financial position at June 30, 1953, as follows.

	-----June 30,----- <u>1954</u>	<u>1953</u>	<u>Increase (Decrease)</u>
Assets:			
Fixed capital (Net book value)	\$19,124,321.49	\$20,729,386.10	(\$1,605,064.61)
Cash	2,124,372.62	3,174,730.61	(1,050,357.99)
Accounts receivable	76,827.22	69,363.95	7,463.27
Deferred charges -			
Materials and supplies	746,433.26	782,535.44	(36,102.18)
Other items	42,015.34	70,717.48	(28,702.14)
Commitments	<u>115,918.77</u>	<u>185,625.75</u>	(69,706.98)
<u>Total</u>	<u>\$22,229,888.70</u>	<u>\$25,012,359.33</u>	<u>(\$2,782,470.63)</u>
Liabilities and Surplus:			
Bonded debt	\$15,498,200.00	\$17,044,200.00	(\$1,546,000.00)
Bond interest payable	104,842.08	112,593.75	(7,751.67)
Accounts payable, commitments, etc.	1,484,714.74	1,593,015.86	(108,301.12)
Reserves	3,086,549.90	3,255,897.30	(169,347.40)
Deferred credits	14,730.10	13,284.09	1,446.01
Contributed surplus	8,340,917.62	8,340,917.62	
Deficit from operations	<u>(6,300,065.74)</u>	<u>(5,347,549.29)</u>	<u>(952,516.45)</u>
<u>Total</u>	<u>\$22,229,888.70</u>	<u>\$25,012,359.33</u>	<u>(\$2,782,470.63)</u>

The decrease in cash at June 30, 1954, as compared with June 30, 1953, is explained by the following summary of funds applied and funds provided.

Funds applied:

Net loss for year ended June 30, 1954	\$ 882,472.90
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Less charges to expense
accounts not involving
disbursements of cash -

Provision for depreciation	\$1,814,263.97	
Adjustment of valuation of materials and supplies to estimated salvage or useful values	<u>5,957.00</u>	<u>1,820,220.97</u>

Increase in funds due to operations	\$ 937,748.07
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Additions to fixed assets	\$ 294,444.51
Redemption of bonded indebtedness	1,546,000.00
Decrease in accounts payable	38,594.14
Decrease in bond interest payable	7,751.67

Decrease in reserves -

Accident claims	129,638.90
Employees' compensation claims	40,000.00
Uncollectible accounts receivable	142.01

Increase in accounts receivable	7,321.26
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Adjustment of prior year's operations	<u>70,043.55</u>	<u>2,133,936.04</u>	\$1,196,187.97
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Less funds provided:

Decrease in material and supplies	\$30,145.18	
Decrease in deferred charges	28,702.14	
Increase in reserve for token liability	291.50	
Increase in deferred credits	1,446.01	
Net book value of fixed capital retired	<u>85,245.15</u>	<u>145,829.98</u>

Decrease in cash at June 30, 1954	<u>\$1,050,357.99</u>
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ROAD AND EQUIPMENT - \$43,112,667.85

ACCUMULATED DEPRECIATION - \$24,126,500.52

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1954, is set forth in the accompanying Schedule A-1. The related depreciation is shown in Schedule A-2.

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustments to the recorded costs and depreciation reserves resulting from this appraisal are shown on Schedule A-1 and A-2.

The engineering report, made by the Public Utilities Commission engineers in connection with the appraisal, indicated that the recorded cost of nonoperated Way and Structure property amounted to \$2,497,988.49. This property was fully depreciated as at June 30, 1953.

It was recommended that the Railway transfer the recorded costs and related depreciation reserves from the road and equipment accounts to a miscellaneous physical property account in order that the property accounts might reflect only the value of the property which is being operated.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's provision in the year of retirement.

The estimated useful life was revised in connection with the appraisal and the annual depreciation for the current year was adjusted to conform with the amount shown in the appraisal.

Additions to road and equipment during the year ended June 30, 1954 are as follows.

Way and structures:

Reconstruction of tracks -

Clay and Powell Streets,		
Washington and Powell Streets	\$ 70,852.32	
Van Ness and Market Streets, and		
Van Ness and Geary Streets	18,579.83	
Market Street, lower Market, and		
Market at Castro Streets	<u>85,247.45</u>	\$174,679.60

Construction and alterations		
to trolley coach overheads		68,292.92

Other		<u>14,788.74</u>
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Total Way and Structures		\$257,761.26
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Equipment:

Spare equipment for		
unit assembly	\$8,979.71	
Shop equipment	3,114.90	
Furniture and office equipment	1,290.73	
Automotive and miscellaneous		
service equipment	<u>6,857.97</u>	<u>20,243.31</u>

Total		<u><u>\$278,004.57</u></u>
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Recorded retirements are as follows.

	<u>Road and Equipment</u>	<u>Depreciation To Date Of Retirement</u>
Way and structures:		
Rights of way -		
Parcel #5 - Sloat Boulevard, Nineteenth Avenue to Great Highway	\$ 43,200.00	
Parcel #6 - Sloat Boulevard, St. Francis Circle to Nineteenth Avenue	4,200.00	
Tracks, etc. -		
Cable tracks on Powell, Jackson and Washington Loop	2,730.88	\$ 761.10
Lower Market Street and Market at Castro Streets	265,186.96	262,040.93
Ellis Street from Market Street to Divisadero Street	163,901.89	163,381.42
Clement Street from Park, Presidio Boulevard to Thirty-Second Avenue	154,689.92	154,322.33
Turk Street; Divisadero to Arguello Boulevard, Arguello Boulevard, Turk Street to Balboa Street; Balboa Street; Arguello Boulevard to Thirty-First Avenue	276,333.77	273,800.16
Eleventh Street from Market Street to Division Street and on Potrero Avenue from Division Street to Sixteenth Street	91,848.72	89,903.96
Bryant Street from Second Street to Division Street	180,505.83	179,371.31
Powell Street cable line on Washington Street between Mason Street and Powell Streets, on Jackson Street between Powell and Mason Streets; and on Powell Street between Washington and Jackson Streets	18,112.25	18,112.25
Trolley poles at various locations	72,666.71	64,708.49
Other, including sundry buildings, tracks, etc.	<u>25,381.36</u>	<u>11,121.62</u>
Total Way and Structures	<u>\$1,298,758.29</u>	<u>\$1,217,523.57</u>
Equipment:		
Six California type cable cars	\$ 66,415.50	\$ 66,415.50
Various shop equipment	49,982.49	46,300.73
Other	<u>2,086.95</u>	<u>1,917.28</u>
Total Equipment	<u>\$ 118,484.94</u>	<u>\$ 114,633.51</u>
Balance Forward	<u>\$1,417,243.23</u>	<u>\$1,332,157.08</u>

	Road and <u>Equipment</u>	Depreciation to Date of <u>Retirement</u>
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Balance Brought Forward	\$1,417,243.23	\$1,332,157.08
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Power:

Two 3-wire 11 K. V. transmission
lines on Fillmore Street - Broadway
to Lombard Streets

\$	3,188.00	\$	3,029.00
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Total Power

\$	3,188.00	\$	3,029.00
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Total

\$1,420,431.23	\$1,335,186.08
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Comments on other items on the balance sheet follow.

CASH - \$2,124,372.62

Cash at June 30, 1954 consisted of the following.

On deposit with the Treasurer of
the City and County of San Francisco:

1947 Municipal Railway
Rehabilitation bond fund
Operating fund
Bond interest funds
Bond redemption fund

\$	251,917.94
	1,825,330.93
	1,923.75
	<u>30,200.00</u>

Total on deposit with Treasurer

\$2,109,372.62

Revolving funds

<u>15,000.00</u>

Total cash

<u>\$2,124,372.62</u>

The Controller's audit staff examined the accounts
of the Treasurer as of June 30, 1954. Our verification of
cash on deposit was, therefore, limited to a review of the
working papers prepared by the Controller's audit staff.

Revolving fund bank accounts were reconciled by us
with amounts certified to us directly by the depositories, and
cash on hand was counted or confirmations were obtained from
custodians for amounts shown to be in their possession.

ACCOUNTS RECEIVABLE - \$64,210.44

Accounts receivable at June 30, 1954 were summarized as follows.

Claims under excess liability	
insurance coverage	\$14,391.06
Advertising revenue	16,648.80
California State Harbor Commission	14,225.55
Charter services	15,854.51
Pole rentals	2,877.50
Other	213.02
	<hr/>
Total	<u><u>\$64,210.44</u></u>

Requests for confirmation were mailed to various debtors with respect to balances included in the above summary; replies received were satisfactory. It appears that the amount of \$213.02 deducted for estimated uncollectibles is adequate to cover possible losses in collection of the accounts.

MATERIALS AND SUPPLIES - \$746,433.26

The amount shown under this caption is the aggregate book value of the inventories of materials and supplies, including \$26,034.44 for the value of metal tokens, as of June 30, 1954. This amount was determined by a tabulation of perpetual inventory records as of May 25, 1954, adjusted for subsequent receipts and issues to June 30, 1954. It is understood that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Metal tokens have not been used in public circulation since April, 1949, and in the absence of any future use, it appears that these have only a scrap metal value. It is not conclusively established, however, that the tokens have no future usefulness.

We have made tests of the quantities in the inventory by physical counts, and have tested the pricing and computations. Our tests indicated that the inventories are priced at average cost, or as to certain items reduced from cost in prior years, at estimated scrap value.

The inventory of materials, other than metal tokens, was reviewed with the employees responsible for its preparation to determine the estimated obsolescence included therein. Based upon their opinion, the amount of \$5,957.00 has been provided for estimated obsolescence.

RESERVE FOR ACCIDENT CLAIMS - \$2,910,279.57

A summary of the changes in this reserve during the year ended June 30, 1954 is as follows.

Balance, July 1, 1953	\$3,039,918.47
Provision for accidents	<u>1,648,262.71</u>
Total	\$4,688,181.18

Less:

Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,295,678.87
Services of City Attorney's office	114,970.00
Claims department pay roll	155,803.38
Cost of excess liability insurance coverage	<u>211,449.36</u> <u>1,777,901.61</u>
Balance, June 30, 1954	<u>\$2,910,279.57</u>

RESERVE FOR EMPLOYEES'

COMPENSATION CLAIMS - \$170,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1954 as furnished by the City and County of San Francisco Employee Retirement System. We were informed that the decrease in this account of \$40,000.00, during the year, was primarily attributable to fewer claims being filed.

DEFERRED CREDITS - \$14,730.10

Deferred credits at June 30, 1954 consist of unamortized bond premium, \$9,374.23, and of miscellaneous minor items, aggregating \$5,355.87, final disposition of which is being deferred to subsequent periods.

EXHIBIT A

MUNICIPAL RAILWAY OF SAN FRANCISCO

BALANCE SHEET, JUNE 30, 1954

ASSETS

FIXED CAPITAL:

Road and equipment (Schedule A-1)
Less accumulated depreciation
to date (Schedule A-2)

Road and equipment, net book value

Construction work in progress

CASH:

On deposit with treasurer

Revolving funds

ACCOUNTS RECEIVABLE

Less estimated uncollectibles

INTERFUND ACCOUNTS RECEIVABLE:

Due from General City and County

Due from other public service enterprises

DEFERRED CHARGES:

Materials and supplies

Prepaid premiums and other deferred charges

Uncompleted contracts, purchase orders, interdepartmental work orders, and other commitments (see contra):

To outsiders

To other city departments

\$95,368.77

20,550.00

115,918.77

904,567.37

TOTAL

\$22,229,888.70

LIABILITIES

BONDED DEBT:

Unmatured bonds (Schedule A-4) -

Maturing within one year

Maturing subsequent to June 30, 1955

\$ 1,600,000.00

13,868,000.00

\$15,468,000.00

Total unmaturing bonds

Matured bonds not presented for payment

30,200.00

\$15,498,200.00

BOND INTEREST PAYABLE:

Accrued but not due

\$102,918.33

Matured coupons not presented for payment

3,923.75

104,842.08

ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and pay roll deductions

\$915,543.79

General creditors

198,741.31

Federal old age benefits accrued tax

34,995.49

Accrued pay rolls and retroactive wages

10,921.20

Total accounts payable

\$1,160,101.89

and accrued liabilities

Uncompleted contracts, purchase orders,

and other commitments (see contra)

95,368.77

1,255,470.66

INTERFUND ACCOUNTS PAYABLE AND COMMITMENTS:

Due to General City and County

\$149,437.95

Due to other public service enterprises

35,436.12

Total interfund accounts payable

\$208,694.08

Uncompleted work orders to other

20,550.00

city departments (see contra)

229,244.08

RESERVES:

Accident claims

\$2,910,279.57

Employees' compensation claims

170,000.00

Outstanding tokens

6,270.33

DEFERRED CREDITS

SURPLUS (Exhibit C):

Contributed surplus

\$8,340,917.62

Less deficit from operations

6,400,065.74

2,040,851.88

TOTAL

\$22,229,888.70

NOTES: 1. See notes on Schedule A-3 regarding carrying value of road and equipment and regarding Railway's depreciation policy.

2. Under the annual appropriation ordinance, as amended, for the fiscal year 1954-1955, \$225,000.00 of surplus has been appropriated for operations.

SCHEDULE A-1

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF ROAD AND EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 1954

WAY AND STRUCTURES:

	Book Balance June 30, 1952	Appraisal Adjustments	After Adjustments June 30, 1952	Additions	Retirements	Balance June 30, 1954
Right of way	\$ 206,312.33		\$ 206,312.33		\$ 147,400.00	\$ 158,912.33
Other land	1,162,169.70		1,162,169.70			1,162,169.70
Ballast	526,582.78	(55,079.01)	471,503.77	5,221.80	312,030.11	164,695.46
Ties	324,666.52	(29,045.04)	305,621.48	7,694.70	108,227.79	205,079.39
Rails, rail fastenings, and joints	1,526,556.37	81,199.19	1,607,755.56	18,563.90	220,193.20	1,405,866.26
Special track work	245,637.18	29,724.26	275,361.44	18,331.73	79,246.22	214,446.95
Underground construction	2,021,411.19	(102,801.10)	1,918,610.09	93,162.82	188,261.59	1,823,511.32
Track and roadway labor	1,942,876.30	(184,171.21)	1,758,705.09	23,189.10	357,169.02	1,424,725.17
Paving	33,580.87		33,580.87			33,580.87
Roadway machinery and tools	14,987.49		14,987.49			14,987.49
Tunnels and subways	19,577.25		19,577.25			19,577.25
Trusses, bridges, and culverts	19,668.55		19,668.55			19,668.55
Signals and interlocking apparatus	53,092.96	(39,598.76)	13,494.20	897.21	72,666.71	51,012.27
Communication systems	1,637,147.66		1,637,147.66	33,891.25		1,671,038.91
Poles and fixtures	3,781,202.33	55,734.00	3,836,936.33	12,550.12	58,969.15	3,790,517.20
Distribution and conductors	21,080.00		21,080.00			21,080.00
General office buildings, cable cars	5,114,389.15	(60.00)	5,114,329.15	1,138.02		5,115,467.17
Shops, carhouses, and garages						
Stations, miscellaneous	185,439.27	(1,114.00)	184,325.27			184,325.27
Buildings, and structures	\$22,911,237.13	(\$118,926.68)	\$22,792,310.45	\$257,761.26	\$1,238,758.29	\$21,751,313.42
TOTAL WAY AND STRUCTURES						

EQUIPMENT:

Electric street cars	\$ 2,139,421.96		\$ 2,139,421.96			\$ 2,139,421.96
Cable cars	681,960.33		681,960.33		66,115.50	615,845.83
Motor coaches	6,817,055.52		6,817,055.52	\$ 8,979.71		6,826,035.23
Trolley coaches	7,166,257.02		7,166,257.02			7,166,257.02
Service equipment, electric	119,910.04		119,910.04		311.03	119,910.04
Electric equipment of						
street cars and trolley coaches	1,102,194.51		1,102,194.51	3,111.99	49,982.10	1,155,288.60
shop equipment	255,277.43		255,277.43	1,290.73	1,775.92	256,263.21
Pumps and office equipment						
Automotive and	235,120.64		235,120.64	6,957.97		242,078.61
Miscellaneous service equipment						
TOTAL EQUIPMENT	\$20,002,361.77		\$20,002,361.77	\$ 20,213.31	\$118,181.04	\$19,902,473.04

POWER:

Substation buildings	\$ 367,222.17		\$ 367,222.17			\$ 367,222.17
Substation equipment, cable cars	261,000.00		261,000.00			261,000.00
Substation equipment	720,001.46		720,001.46			720,001.46
Transmission system	10,276.76		10,276.76			10,276.76

FRANCHISE

	\$ 1,352,162.20		\$ 1,352,162.20			\$ 1,352,162.20
	1,428,293.13		1,428,293.13			1,428,293.13
TOTAL	\$14,194,167.12	(\$11,280,061.00)	\$2,914,106.12	\$796,001.57	\$1,151,112.22	\$2,019,094.42

(See notes on Schedule A-1)

SCHEMIS A-2

MUNICIPAL RAILWAY OF SAN FRANCISCO

SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1954

	Book Balance June 30, 1953	Appraisal After Adjustments	Balance June 30, 1954	Provision for Year Ended June 30, 1954	Retirements	Balance June 30, 1954
WAY AND STRUCTURES:						
Grading	\$ 511,830.87	\$ 52,975.26	\$ 458,855.62	\$ 30,620.06	\$ 112,010.11	\$ 346,845.57
Ballast	111,890.11	29,675.67	82,214.44	5,453.10	48,229.79	34,000.00
Ties	245,919.77	29,055.04	216,864.73	5,453.10	48,229.79	170,000.00
Rails, rail fastenings, and joints	1,096,286.80	(81,199.19)	1,177,485.99	21,751.51	217,627.96	981,599.54
Special track work	406,112.50	(29,724.26)	376,388.24	7,267.87	78,355.83	368,749.80
Underground construction	1,250,458.74	(52,800.34)	1,197,658.40	1,057.26	1,182.00	2,391,032.93
Tunnels and roadway labor	1,522,610.68	88,471.21	1,611,081.89	26,099.05	35,071.70	1,103,186.82
Paving	69,238.80		69,238.80	1,069.31	1,081.72	68,226.39
Roadway machinery and tools	34,987.49		34,987.49			34,987.49
Tunnels and subways	37,722.96	(20,864.30)	16,858.66	1,08.37		16,858.66
Bridges, trestles, and culverts	10,511.53	(20,818.23)	(10,306.70)	856.78		9,454.92
Signals and interlocking apparatus	23,269.71		23,269.71	4,377.19		27,646.90
Communication systems	906,148.54	37,618.82	943,767.36	23,360.71	64,708.49	827,181.94
Poles and fixtures	278,956.51	(55,734.00)	223,222.51	7,414.84	202.58	230,637.35
Underground conduit	1,828,651.77		1,828,651.77	87,148.31	39,358.47	1,790,293.30
General office buildings, cable cars	19,065.70		19,065.70			19,065.70
Shops, carhouses, and garages	2,009,316.94	60.00	2,009,256.94	110,052.55		2,119,309.49
Stations, miscellaneous						
buildings, and structures	77,752.00	1,083.40	76,668.60	5,944.57	963.14	81,650.02
TOTAL WAY AND STRUCTURES	\$12,275,040.49	\$105,382.61	\$12,169,657.88	\$ 393,801.61	\$1,217,523.57	\$11,345,935.92
EQUIPMENT:						
Electric street cars	\$ 1,213,789.64		\$ 1,213,789.64	\$ 56,996.97	\$ 66,113.50	\$ 1,270,786.61
Cable cars	5,011,924.90		5,011,924.90	74,752.82	48.95	5,086,736.77
Motor coaches	1,792,936.22		1,792,936.22	500,255.40	97.31	2,293,074.31
Trolley coaches	42,754.12		42,754.12	9,666.71		52,420.83
Pare boxes	113,753.36		113,753.36	1,538.24		115,291.60
Service equipment, electric	732,195.15		732,195.15	22,868.79		755,063.94
Electric equipment of	566,285.05		566,285.05	32,929.55	46,300.73	595,917.87
Shop equipment	168,174.39		168,174.39	10,813.93	1,771.92	177,216.40
Furniture and office equipment						
Automotive and						
miscellaneous service equipment	118,243.04		118,243.04	21,564.81		139,807.85
TOTAL EQUIPMENT	\$10,134,399.20		\$10,134,399.20	\$1,140,267.22	\$114,633.51	\$11,724,032.91
POWER:						
Substation buildings	\$ 250,935.50		\$ 250,935.50	\$ 6,280.24		\$ 257,219.74
Power plant equipment, cable cars	347,946.90		347,946.90	6,618.60		348,565.50
Substation equipment	434,720.13		434,720.13	9,292.30		444,012.43
Transmission system	9,763.02		9,763.02		\$ 3,029.00	6,734.02
TOTAL POWER	\$1,043,365.55		\$1,043,365.55	\$16,195.14	\$3,029.00	\$1,056,531.69
FRANCHISE	\$ 428.00		\$ 428.00			
TOTALS	\$23,753,239.24	\$105,810.61	\$23,647,428.63	\$1,814,263.97	\$1,355,186.08	\$24,126,500.52

(See notes on Schedule A-3)

SCHEDULE A-3

MUNICIPAL RAILWAY OF SAN FRANCISCO

NOTES TO SCHEDULES A-1 AND A-2

SCHEDULE A-1:

1. See comments in accompanying report regarding the valuation at which the foregoing accounts are carried in the Railway's accounts.
2. The report prepared by the Public Utilities Commission engineers, as at June 30, 1953, indicated that the recorded cost of the nonoperated property included in Way and Structures amounted to \$2,497,988.49.

SCHEDULE A-2:

1. It is the policy of the Railway to take a full year's depreciation in the year of retirement and no depreciation in the year in which the asset is put into service.
2. The nonoperated property referred to in Note 2 to Schedule A-1 was fully depreciated as at June 30, 1953.

SCHEDULE A-4

MUNICIPAL RAILWAY OF SAN FRANCISCO

UNMATURED BONDED DEBT, JUNE 30, 1954

REHABILITATION ISSUE OF 1947:

Series A (dated February 1, 1948)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
2%	\$433,000	February 1, 1955-58	\$1,732,000
2-1/2%	433,000	February 1, 1959-63	<u>2,165,000</u>
			\$ 3,897,000

Series B (dated August 1, 1948)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1-1/4%	123,000	August 1, 1954-55	\$ 246,000
1-3/4%	123,000	August 1, 1956	123,000
1-3/4%	559,000	August 1, 1957-58	1,118,000
2%	559,000	August 1, 1959-60	1,118,000
2%	560,000	August 1, 1961-63	<u>1,680,000</u>
			4,285,000

Series C (dated March 1, 1949)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1-1/2%	90,000	March 1, 1955-57	\$ 270,000
1-1/2%	380,000	March 1, 1958	380,000
1-1/2%	400,000	March 1, 1959-64	<u>2,400,000</u>
			3,050,000

Series D (dated August 1, 1949)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1%	105,000	August 1, 1954-55	\$ 210,000
1-1/4%	105,000	August 1, 1956	105,000
1-1/4%	104,000	August 1, 1957-60	416,000
1-1/2%	104,000	August 1, 1961-64	<u>416,000</u>
			1,147,000

Series E (dated November 1, 1949)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1%	39,000	November 1, 1954	\$ 39,000
1%	38,000	November 1, 1955-56	76,000
1-1/4%	38,000	November 1, 1957-61	190,000
1-1/2%	38,000	November 1, 1962-64	<u>114,000</u>
			419,000

Series F (dated September 1, 1950)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1-1/4%	690,000	September 1, 1954	\$ 690,000
1%	690,000	September 1, 1955-56	<u>1,380,000</u>
			2,070,000

Series G (dated March 1, 1952)

Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1954
1-1/4%	120,000	March 1, 1955-59	\$ 600,000
			<u>600,000</u>
			600,000

TOTAL UNMATURED BONDED DEBT

\$15,468,000

EXHIBIT B

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME FOR THE YEARS ENDED
JUNE 30, 1954 and 1953, and COMPARISON

	Year Ended June 30,		Increase (Decrease)
	<u>1954</u>	<u>1953</u>	
OPERATING INCOME:			
Passenger revenue	\$21,976,747.72	\$23,328,178.63	(\$1,351,430.91)
Advertising revenue	118,325.04	121,381.86	(3,056.82)
Rents	16,207.54	16,710.17	(502.63)
Other	<u>26,344.87</u>	<u>25,710.32</u>	<u>634.55</u>
TOTAL OPERATING INCOME	<u>\$22,137,625.17</u>	<u>\$23,491,980.98</u>	<u>(\$1,354,355.81)</u>
OPERATING EXPENSES:			
Maintenance and repairs -			
Ways and structures	\$ 753,475.61	\$ 677,349.81	\$ 76,125.80
Equipment	<u>2,240,383.65</u>	<u>2,194,281.73</u>	<u>46,101.92</u>
Total maintenance and repairs	\$ 2,993,859.26	\$ 2,871,631.54	\$ 122,227.72
Power	2,308,247.11	2,226,602.26	81,644.85
Conducting transportation	11,375,878.55	11,293,582.10	82,296.45
General and miscellaneous	2,340,048.27	2,658,078.92	(318,030.65)
Taxes	<u>201,619.28</u>	<u>172,865.32</u>	<u>28,753.96</u>
Total operating expense before provision for accidents and depreciation	\$19,219,652.47	\$19,222,760.14	(\$ 3,107.67)
Provision for accident claims	1,648,262.71	1,749,613.40	(101,350.69)
Provision for depreciation (Schedule A-2)	<u>1,814,263.97</u>	<u>1,878,593.34</u>	<u>(64,329.37)</u>
TOTAL OPERATING EXPENSES	<u>\$22,682,179.15</u>	<u>\$22,850,966.88</u>	<u>(\$ 168,787.73)</u>
GAIN (LOSS) FROM OPERATIONS (FORWARD)	(\$ 544,553.98)	\$ 641,014.10	\$1,185,568.08

EXHIBIT B

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF INCOME FOR THE YEARS ENDED

JUNE 30, 1954 and 1953 AND COMPARISON

(Concluded)

	<u>Year Ended June 30,</u> <u>1954</u>	<u>1953</u>	<u>Increase</u> <u>(Decrease)</u>
GAIN (LOSS) FROM OPERATIONS (Brought Forward)	(\$544,553.98)	\$641,014.10	\$1,185,568.08
<hr/>			
OTHER EXPENSES:			
Interest on bonded debt	\$271,215.08	\$295,796.52	(\$ 24,581.44)
Adjustment of valuation of materials and supplies to estimated salvage or useful value	5,957.00	1,320.47	4,636.53
Loss on net book value of fixed assets retired	<u>85,245.15</u>	<u> </u>	<u>85,245.15</u>
TOTAL OTHER EXPENSES	<u>\$362,417.23</u>	<u>\$297,116.99</u>	<u>\$ 65,300.24</u>
GROSS GAIN (LOSS)	(\$906,971.21)	\$343,897.11	\$1,250,868.32
<hr/>			
OTHER INCOME:			
Interest on bank balances	\$ 20,977.25	\$ 20,090.61	\$ 886.64
Insurance recovery on coaches damaged by Twenty-Fourth and Utah Division fire		83,607.25	(83,607.25)
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income	<u>3,521.06</u>	<u>50,373.96</u>	<u>(46,852.90)</u>
TOTAL OTHER INCOME	<u>\$ 24,498.31</u>	<u>\$154,071.82</u>	<u>(\$ 129,573.51)</u>
NET GAIN (LOSS)	(\$882,472.90)	\$497,968.93	\$1,380,441.83
<hr/>			

EXHIBIT C

MUNICIPAL RAILWAY OF SAN FRANCISCO

STATEMENT OF SURPLUS FOR THE YEAR

ENDED JUNE 30, 1954

CONTRIBUTED SURPLUS, BALANCE, JUNE 30, 1954

\$8,340,917.62

DEFICIT FROM OPERATIONS:

Deficit, July 1, 1953

\$5,347,549.29

Add -

Loss from operations
for the year ended

June 30, 1954 (Exhibit B) \$882,472.90

Miscellaneous

retroactive pay rolls 14,209.78

Engineering costs

incurred on abandoned
rehabilitation projects 6,278.69

Reimbursement to airport
for services rendered

by F410A engineer on
airport pay roll for the
period December 16, 1947
to April 6, 1949 9,146.08

Adjustments resulting from
Property Appraisal as
at June 30, 1953

43,544.07 955,651.52

\$6,303,200.81

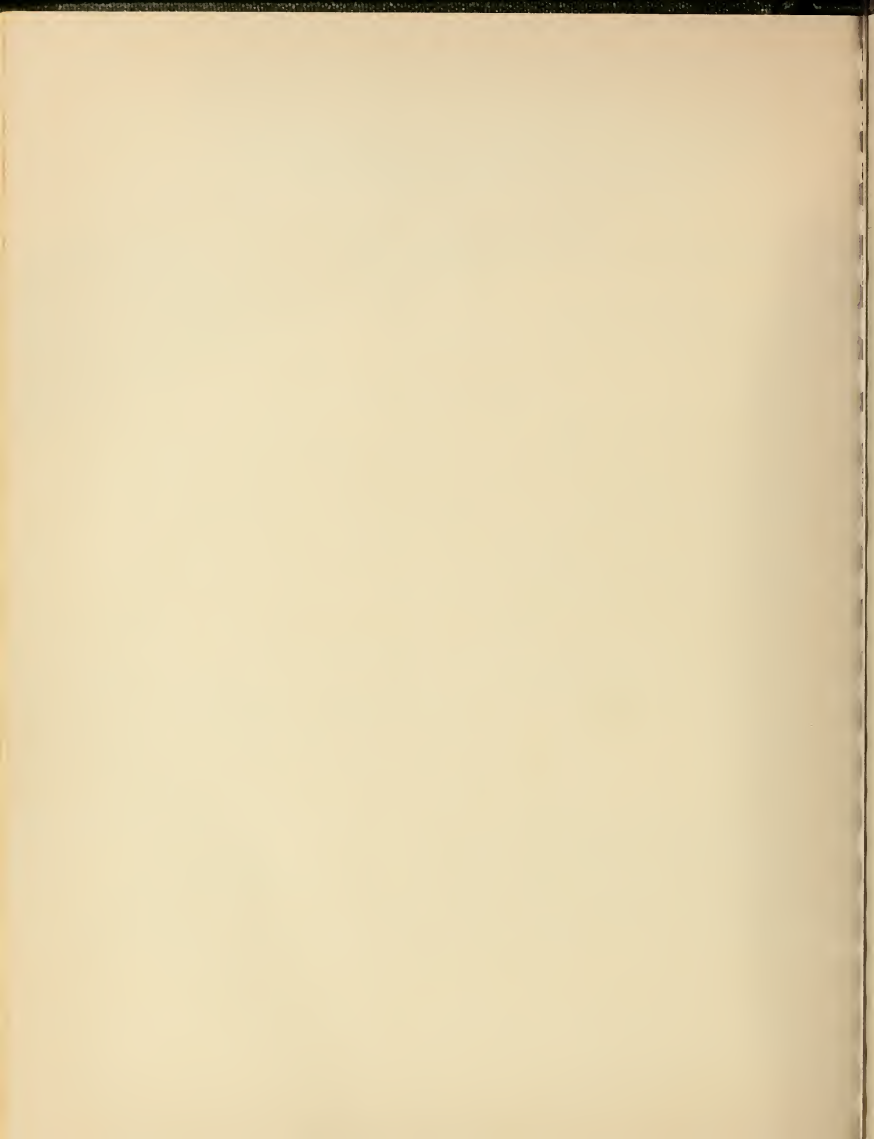
Deduct -

Controller's adjustment
for audit and miscellaneous
services rendered for
fiscal year 1952-1953

3,135.07

Deficit, June 30, 1954

\$6,300,065.74



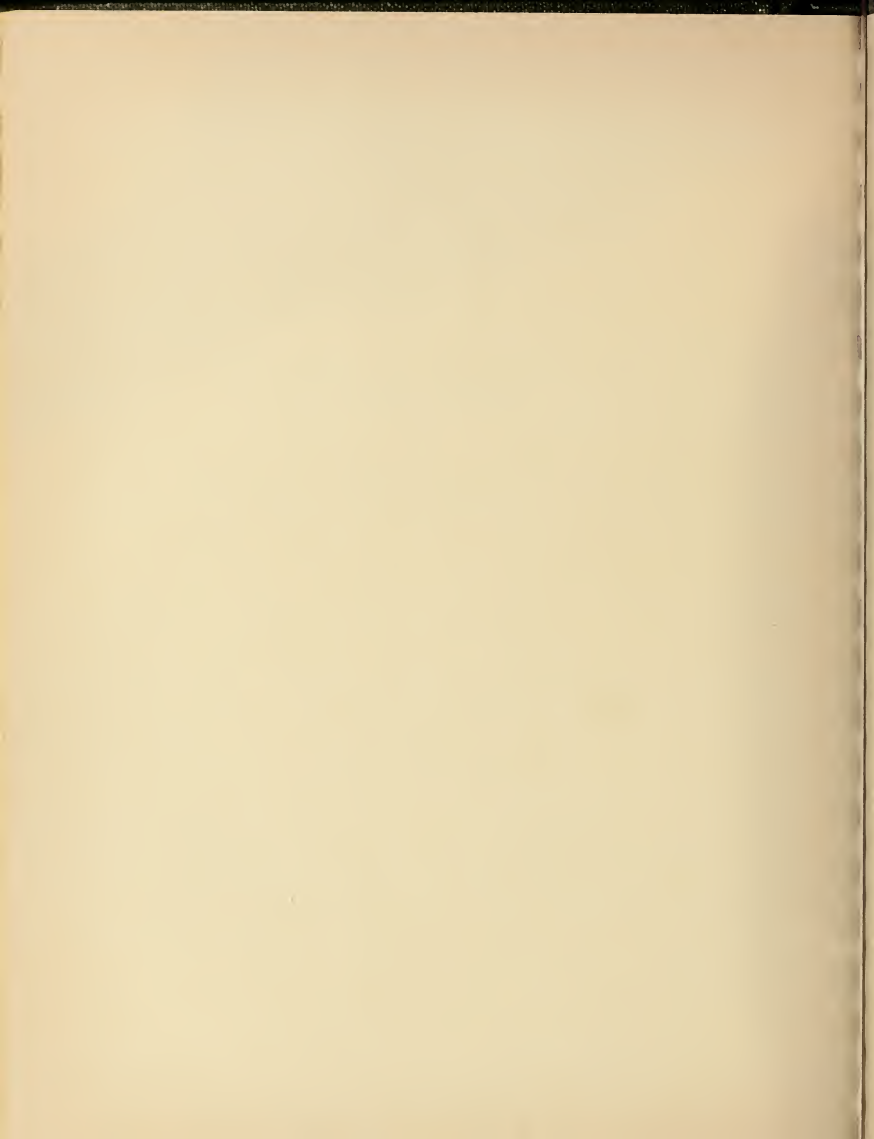
San Francisco School Department

(A Unified School District)



REPORT OF EXAMINATION

JUNE 30, 1954



LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

660 MARKET STREET

SAN FRANCISCO 4

YUKON 6-6431

RUDOLPH E. LINDQUIST
FRED J. VON HUSEN
JOHN F. JOYCE
NORMAN THOMAS

SAN FRANCISCO
LOS ANGELES
CONCORD

October 29, 1954

Honorable Harry D. Ross, Controller
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your authorization we have examined the books of account, records and transactions of the San Francisco Unified School District for the fiscal year ended June 30, 1954, and submit herewith the following statements:

EXHIBIT

- A - Proprietary Balance Sheet - June 30, 1954
- B - Statement of Current Surplus for the Fiscal Year Ended June 30, 1954
- C - Statement of Capital Surplus for the Fiscal Year Ended June 30, 1954
- D - Statement of Revenues and Expenditures for the Fiscal Years Ended June 30, 1954 and 1953
- E - Details of Revenue for the Fiscal Years Ended June 30, 1954 and 1953
- F - Details of Expenditures for the Fiscal Years Ended June 30, 1954 and 1953
- G - Funds Balance Sheet - June 30, 1954
- H - Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet - June 30, 1954

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus, revenues and expenditures present fairly the financial position of the San Francisco Unified School District as at June 30, 1954, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our report, program and working papers in connection with this examination have been made available to Mr. David Supple, consultant and statistician for the Grand Jury.

Yours very truly,

Sindquist, Von Husen and Joyce

Certified Public Accountants

REVENUES AND EXPENDITURES

The following comparative summary shows revenues and expenditures for the fiscal years ended June 30, 1954 and 1953 (cents omitted):

	<u>Year Ended June 30,</u>		<u>Increase (Decrease)</u>
	<u>1954</u>	<u>1953</u>	
Revenues:			
Property taxes and penalties	\$20,595,789	\$19,697,127	\$ 898,662
State of California -			
School funds apportionment	10,770,345	8,427,501	2,342,844
Retirement subventions	803,158	737,547	65,611
Other revenues	2,067,213	1,907,773	159,440
Auxiliary (indirect) revenues	<u>455,762</u>	<u>424,754</u>	<u>31,008</u>
Total revenues	34,692,267	31,194,702	3,497,565
Operating expenses	<u>33,076,255</u>	<u>30,618,619</u>	<u>2,457,636</u>
	1,616,012	576,083	1,039,929
Net capital outlay from current funds	<u>294,391</u>	<u>66,400</u>	<u>227,991</u>
Excess of revenues over expenditures	<u>\$ 1,321,621</u>	<u>\$ 509,683</u>	<u>\$ 811,938</u>

Property taxes were verified by reference to the tax rates, the records of the controller and examination of the cash transfer vouchers from the controller's office.

Revenues from the State School Fund consist of the share of state funds apportioned to San Francisco on the basis of average daily attendance and other factors for the preceding year, as follows (cents omitted):

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>City College</u>
Average daily attendance	(80,882)	(53,111)	(23,310)	(4,461)
\$120 per pupil	<u>\$9,705,840</u>	<u>\$6,373,320</u>	<u>\$2,797,200</u>	<u>\$535,320</u>
Exceptional children:				
Physically handicapped	(980)	(827)	(153)	
Extra cost to school department (not over \$400 per pupil)	\$ 392,000	\$ 330,948	\$ 61,052	
Mentally retarded	(1,294)	(509)	(785)	
Not over \$150 per pupil	\$ 141,712	\$ 55,743	\$ 85,969	
Severely mentally re- tarded	(111)	(111)		
Not over \$300 per pupil	\$ 33,300	\$ 33,300		
Transportation expense for exceptional children (total average daily attendance (317) times \$350 - or actual, whichever is lower)	<u>\$ 90,101</u>	<u>\$ 90,101</u>	<u>\$</u>	<u></u>
Total exceptional children	<u>\$ 657,113</u>	<u>\$ 510,092</u>	<u>\$ 147,021</u>	<u></u>
Automobile driver training				
Lower of 75% of actual cost - \$30 times largest enrollment - or \$30 times number of pupils trained	\$ 15,728		\$ 15,728	
Growth in attendance				
Increased attendance over previous year	<u>\$ 391,664</u>	<u>\$ 236,405</u>	<u>\$ 104,438</u>	<u>\$ 50,821</u>
	<u>\$10,770,345</u>	<u>\$7,119,817</u>	<u>\$3,064,387</u>	<u>\$586,141</u>

These revenues were verified by reference to supporting data and were traced where appropriate to the Principal Apportionment of the California State School Fund published by the State Superintendent of Public Instruction.

Following is a comparison of the average daily attendance:

	<u>1953-54</u>	<u>1952-53</u>
Elementary schools	55,379	53,111
High schools	24,700	23,310
Junior college	<u>4,637</u>	<u>4,461</u>
Total	<u>84,716</u>	<u>80,882</u>

BASIC DATA FOR STATE
APPORTIONMENT FOR FISCAL
YEAR 1954-55

The following is a summary of the basic data underlying the State apportionment for the fiscal year 1954-55. This summary is provided in order to place the audit of average daily attendance figures on a prospective rather than a retroactive basis.

	<u>Total</u>	<u>Elementary Schools</u>	<u>High Schools</u>	<u>Junior College</u>
Average daily attendance	84,716	55,379	24,700	4,637
Physically handicapped	937	818	119	
Mentally retarded	1,429	911	518	
Evening schools	5		5	
Continuation school	1		1	
Transportation expense for exceptional children	351	351		
Growth in average daily attendance	Note (1)			

Note (1): The growth in average daily attendance is divided into two periods, the first of which ends approximately at December 3, 1954 and the second at April 22, 1955 and, of course, cannot be computed until after such dates.

We reviewed the procedures for compiling the average daily attendance and tested the records of the Bureau of Research and of certain schools and satisfied ourselves that the average daily attendance figures are substantially correct.

Other revenues (\$2,067,213) were tested against various supporting data and in our opinion are substantially correct. Details are shown in Exhibit E.

CHILD CARE CENTERS:

As at June 30, 1954 there were 25 Child Care Centers in operation, serving approximately 1,145 children. The combined centers had comparative totals of child attendance hours as follows:

	<u>Year Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
Nursery (under 5 years 9 months of age)	1,377,748	1,605,034
School age (5 years 9 months and over)	<u>455,478</u>	<u>487,137</u>
Total hours	<u>1,833,226</u>	<u>2,092,171</u>

We reviewed the accounting records and procedure, and tested the income and expenditures to the extent we deemed appropriate.

Following is a comparative statement of income and expenditures for the fiscal years ended June 30, 1954 and 1953:

	<u>Year Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
<u>Income:</u>		
State apportionment	\$417,449	\$459,100
Fees from parents	289,444	293,787
Current district taxes	192,623	162,684
Miscellaneous income	<u>1,184</u>	<u>96</u>
Total income	<u>\$900,700</u>	<u>\$915,667</u>
<u>Expenditures:</u>		
Administration	\$ 60,018	\$ 54,173
Instruction	526,936	493,695
Auxiliary services	13,555	12,631
Operation	122,537	120,308
Maintenance	24,115	30,155
Fixed charges	5,199	4,555
Food	154,129	170,988
Capital outlay	<u>6,102</u>	<u>5,752</u>
Total expenditures	<u>\$912,591</u>	<u>\$892,257</u>
Net income or (loss)	<u>\$ (11,891)</u>	<u>\$ 23,410</u>

COUNTY SCHOOL SERVICE FUND:

The income and expenditures of the County School Service Fund, which we test checked, were as follows:

Income:	
Balance of funds from prior year	None
State apportionment	<u>\$36,587</u>
Total income	<u>\$36,587</u>
Expenditures:	
County superintendent of schools	\$ 2,400
Bureau of research	<u>7,500</u>
Total administrative	<u>9,900</u>
Curriculum services	14,187
Visual education	<u>12,500</u>
Total instructional	<u>26,687</u>
Total expenditures	<u>\$36,587</u>
Balance of fund	<u>None</u>

CAFETERIAS:

During the year the School District operated fifty-five cafeterias. We tested the income, expenses and balance sheet accounts to the extent we deemed appropriate. We also reviewed the internal audit procedures and audits performed by the administrative office of the School District during the current year and believe that their audit procedures are adequate.

A comparative statement of income and expenses for the fiscal years ending June 30, 1954 and 1953 is as follows:

	Fiscal Year	
	<u>Ended June 30,</u>	
	<u>1954</u>	<u>1953</u>
Income:		
Sales - cafeteria	\$ 981,408	\$ 925,465
Sales - mid-morning lunches	187,097	171,337
Federal grants	<u>84,128</u>	<u>74,226</u>
Total income	<u>1,252,633</u>	<u>1,171,028</u>
Expenses:		
Cost of food	770,333	740,234
Salaries	397,704	318,562
Student help meals	31,170	32,924
Supplies and expense	46,166	42,575
Central office expense	726	750
Repairs and replacements	88	144
Provision for sick leave and vacations	<u>32,119</u>	<u>25,797</u>
Total expenses	<u>1,278,306</u>	<u>1,160,986</u>
Net income or (loss)	<u>\$ (25,673)</u>	<u>\$ 10,042</u>

CASH:

Cash in the various funds of the School District at June 30, 1954 as shown by the books of the Treasurer, was as follows:

Current funds:		
School District	\$ 6,718,729	
Bonds matured - unredeemed	10,000	
Bond interest matured - unpaid	<u>20,410</u>	\$ 6,749,139
Capital funds:		
1948 school bonds	11,445,465	
Real property	<u>134,896</u>	11,580,361
Trust funds:		
Accumulative building fund	5,897	
Child Care Centers	174,750	
Sabbatical leave (teachers)	7,291	
Retirement (teachers)	19,477	
Annuity deposits (teachers)	13,080	
Federal withholding tax	268,744	
Ford Foundation	350,000	
Veterans' education	115	
Cafeteria	217,417	
Will C. Steinbrunn bequest	<u>10,176</u>	<u>1,066,947</u>
Total cash deposited with the Treasurer		19,396,447
Cash transfers outstanding	343,350	
Revolving funds:		
School District	3,000	
Cafeteria	<u>1,550</u>	
	347,900	
Advances to purchasing department	192	
Hume Foundation Trust Fund (deposited with American Trust Co.)	<u>237</u>	<u>348,329</u>
Total cash		<u>\$19,744,776</u>

The cash on deposit with the Treasurer was reconciled to the Treasurer's cash balances as shown in the Report of Examination of the office of the Treasurer, prepared by the General Audit Division, office of the Controller, as at June 30, 1954.

ACCOUNTS RECEIVABLE:

A summary of the accounts receivable is set forth as follows:

Taxes and penalties:

Taxes - secured	\$204,719	
Taxes - unsecured	<u>391,701</u>	
	596,420	
Reserve for unsecured taxes	<u>391,701</u>	\$204,719

Other accounts receivable:

Tuition due from other counties	321,350
Subventions for vocational training of veterans	27,767
Federal subvention for aid to local education (Public Law 874)	98,964

Cafeterias:

Federal grants	14,988
Other	23,115

Child Care Centers:

Fees from parents	26,660
Salary overpayments	7,580
Other	<u>11,219</u>
	<u>531,643</u>

Total

\$736,362

Taxes unreserved for in the amount of \$204,719 represent the portion of taxes secured.

Tuition due from other counties consists of \$819 billed for prior years but not collected, and \$320,531 billed for tuition for non-resident students at City College for the fiscal year 1953-1954 of which \$174,770 was not billed until July, 1954.

Subventions for vocational training of veterans consists of bills rendered (\$6,782) plus an estimate (\$20,985) for instruction, supplies and counseling given in April, May and June, 1954 and billed subsequently.

Federal subvention for aid to local education covers assistance given by the Federal government to those local agencies upon which a financial burden has been placed by reason of providing education for children whose parents are employed by Federal Government and live on Federal property, or who live in Federal projects and work elsewhere (Public Law 874)

Federal grants for cafeterias represent billings for May and June, 1954, which were collected subsequently.

Salary overpayments of \$7,580 are not considered fully collectible for various reasons, such as death, etc.

Other accounts receivable in the amount of \$11,219 represents amounts due from various sources, such as rentals, use of school buildings, Public Law 550, etc.

The amount of accounts receivable (\$531,643) exclusive of secured taxes (\$204,719) is taken into income in the year in which collected, and therefore is treated as a deferred credit in the balance sheet as at June 30, 1954.

INVENTORIES AND DEFERRED CHARGES:

Stores inventory represents the cost of supplies and some equipment on hand at June 30, 1954 as shown by the records of the School District. Physical inventories were taken, priced and extended by employees of the School District at various dates at the different storage locations. The inventory at the principal storage warehouse, 1440 Harrison Street, San Francisco, California was taken as of March 31, 1954. The general ledger balance of the inventory was increased by \$1,358.13 to bring it into agreement with the physical inventory.

We were present at the count of the inventory, observed the procedures and test counted a substantial amount thereof and satisfied ourselves that the physical count was substantially correct. We also tested the pricing, extensions and footings of the inventory to the extent we deemed appropriate, and found them to be correct. The procedures for accounting for the detailed perpetual inventory by quantities and the general ledger stores account in dollars were reviewed, and we satisfied ourselves that the inventory as shown at June 30, 1954 was correctly stated.

The following is a summary of the insurance in force at
June 30, 1954:

Fire and extended coverage:

School district property including contents	\$72,500,000
Automobiles: (Includes Driver Training Program Cars)	
Bodily injury including non-ownership	\$200,000/500,000
Property damage	\$100,000
Fire and theft	Cash value
Collision (Driver Training only)	\$50 deductible

Child Care Centers:

Bodily injury	\$100,000/1,000,000
Property damage	\$1,000/10,000

Boiler:

City college	\$500,000
High schools - each	\$250,000
Other schools - each	\$100,000

Blanket fidelity bond (each loss)	\$25,000
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Rental income - Lincoln Building:

Loss due to fire and/or extended coverage	Actual rental
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Valuable records:

Other than money and securities	\$50,000
---------------------------------	----------

Workmen's compensation - Child Care Centers

Additional fidelity bond coverage:

Superintendent of schools	\$25,000
Chief of the budget division	\$15,000
Chief of the division of accounts	\$6,000
Board of Education members (each)	\$2,500

General liability:

Sub-leased portion of Union Furniture Company warehouse	\$100,000/200,000
--	-------------------

Coverage in effect as shown above for fire and extended coverage is 90% of insurable value. An insurance survey in May, 1954 shows total value of buildings and contents to be \$80,524,024. 90% thereof is \$72,471,622.

General public liability insurance is not carried. The legal adviser of the School District advised us that the contingent liability under unsettled claims is estimated to be \$50,000. Also, workmen's compensation insurance is not carried on other than Child Care Centers.

The Retirement Board of the City and County of San Francisco advised us that the liability for unsettled workmen's compensation claims at June 30, 1954 is estimated to be approximately \$125,000.

BONDED INDEBTEDNESS AND INTEREST:

Following is a summary of the changes in the bonded indebtedness during the fiscal year ended June 30, 1954 as shown by the records of the Controller (cents omitted):

Date of Issue	Interest Rate	Balance, June 30,	Transactions During Fiscal Year		Balance, June 30,
		1953	Sold	Redeemed	1954
March 1, 1923	5%	\$ 4,206,000		\$ 296,000	\$ 3,910,000*
March 1, 1949	1-1/4%	2,900,000		500,000	2,400,000
March 1, 1949	1-1/2%	3,000,000			3,000,000
April 1, 1951	1-1/4%	1,024,000		255,000	769,000
April 1, 1951	1-3/4%	8,466,000			8,466,000
March 1, 1952	1-1/2%	8,650,000		330,000	8,320,000
December 1, 1952	1-3/4%	10,000,000		250,000	9,750,000
August 1, 1953	4%	960,000			960,000
August 1, 1953	2-1/2%	3,840,000			3,840,000
March 1, 1954	5-3/4%		\$ 400,000		400,000
March 1, 1954	1%		400,000		400,000
March 1, 1954	1-1/4%		1,000,000		1,000,000
March 1, 1954	1-1/2%		800,000		800,000
March 1, 1954	1-3/4%		400,000		400,000
		<u>\$43,046,000</u>	<u>\$3,000,000</u>	<u>\$1,631,000</u>	<u>\$44,415,000</u>

* Includes \$10,000 matured but unpaid.

Of the \$48,900,000.00 school bond issue approved by public vote in November, 1948, \$4,990,000.00 remained unsold at June 30, 1954.

Bond interest payable or accrued as at June 30, 1954 amounted to \$281,171.00, as follows:

Coupons matured - not presented for payment	\$ 20,410
Interest accrued - not due	<u>260,761</u>
Total	<u>\$281,171</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the annexed balance

sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$260,761) has been treated as a deferred charge.

ACCOUNTS PAYABLE AND COMMITMENTS:

Following is a summary of accounts payable as at June 30, 1954:

Warrants and payroll deductions outstanding	\$ 2,498,221
Accounts payable -	
Goods and services received for which	
warrants had not been issued	250,499
Uncompleted purchase orders and contracts	<u>10,266,287</u>
Total	<u>\$13,015,007</u>

The contractual liability of \$10,266,287 for uncompleted purchase orders and contracts represents obligations for goods and services not received nor rendered as at June 30, 1954. Since these charges apply to subsequent periods, a like amount is shown as a deferred charge in the annexed balance sheet, in accordance with past practice.

The inter-fund accounts payable were reconciled with the records of the Controller. Following is a summary of these balances:

Department of Public Works	\$210,886
Employees' Retirement System	321,202
Other funds and City departments	<u>18,548</u>
Total	<u>\$550,636</u>

The goods and services for which the above liabilities were incurred were furnished or rendered on or prior to June 30, 1954 and the corresponding charges are reflected in the accounts of the fiscal year then ended.

EXHIBIT A (CONTINUED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET - JUNE 30, 1954

ASSETS

	<u>Total</u>	<u>Current Funds</u>	<u>Capital Funds</u>	<u>Special and Trust Funds</u>
<u>FIXED CAPITAL PROPERTIES (Note 1):</u>				
Land	\$ 14,213,962		\$ 14,213,962	
Building and improvements	70,864,006		70,864,006	
Equipment	8,207,311		8,207,311	
Total	93,285,279		93,285,279	
<u>CASH:</u>				
On deposit with Treasurer	19,366,037	\$ 6,718,728	11,580,361	\$1,066,948
Cash transfers outstanding	343,350	4,415		338,935
Revolving funds	4,550	3,000		1,550
Advances to Purchasing Department	192	192		
Bond interest and redemption funds	30,410	30,410		
Other - Hume Foundation	237			237
Total	19,744,776	6,756,745	11,580,361	1,407,670
<u>ACCOUNTS RECEIVABLE:</u>				
Delinquent taxes and penalties	596,420	594,149		2,271
Less: Reserve for unsecured property taxes	391,701	390,952		749
Secured taxes and penalties	204,719	203,197		1,522
Other accounts, subventions, etc. (contra)	531,643	466,880		64,763
Total	736,362	670,077		66,285
<u>INTER-FUND ACCOUNTS</u>	29,208	28,755	453	
<u>INVENTORIES AND DEFERRED CHARGES:</u>				
Stores - at cost	812,066	811,530		536
Shop inventory - at cost	35,957	35,957		
Other supplies and expense	14,159	14,159		
Unexpired insurance	398	398		
Bond interest accrued (contra)	260,761	260,761		
Uncompleted contracts and purchase orders (contra)	10,266,287	1,427,250	8,834,067	4,970
Work in progress	145,849		145,849	
Total	11,535,477	2,550,055	8,979,916	5,506
<u>TOTAL</u>	<u>\$125,331,102</u>	<u>\$10,005,632</u>	<u>\$113,846,009</u>	<u>\$1,479,461</u>

See notes appended to this exhibit which are made an integral part hereof.

EXHIBIT A (CONCLUDED)
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET - JUNE 30, 1954

LIABILITIES AND SURPLUS

	<u>Total</u>	<u>Current Funds</u>	<u>Capital Funds</u>	<u>Special and Trust Funds</u>
<u>BONDED DEBT (Note 3)</u>	<u>\$ 44,415,000</u>	<u>\$ 10,000</u>	<u>\$ 44,405,000</u>	
<u>BOND INTEREST:</u>				
Coupons matured - unpaid	20,410	20,410		
Accrued interest not due (contra)	<u>260,761</u>	<u>260,761</u>		
Total	<u>281,171</u>	<u>281,171</u>		
<u>ACCOUNTS PAYABLE AND COMMITMENTS:</u>				
Warrants and payroll deductions outstanding	2,498,221	2,253,177	57,210	\$ 187,834
Accounts payable - materials and service	250,499	233,513		16,986
Uncompleted purchase orders and contracts (contra)	<u>10,266,287</u>	<u>1,427,250</u>	<u>8,834,067</u>	<u>4,870</u>
Total	<u>13,015,007</u>	<u>3,913,940</u>	<u>8,891,277</u>	<u>209,700</u>
<u>INTER-FUND ACCOUNTS:</u>				
Department of Public Works	210,886	202,153		8,733
Employees' Retirement System	321,202	321,202		
Other funds and City departments	<u>18,548</u>	<u>14,693</u>		<u>3,855</u>
Total	<u>550,636</u>	<u>538,048</u>		<u>12,588</u>
<u>DEFERRED CREDITS:</u>				
Accounts receivable (contra)	531,643	466,880		64,763
Other	<u>25,118</u>	<u>25,085</u>		<u>33</u>
Total	<u>556,761</u>	<u>491,965</u>		<u>64,796</u>
<u>SURPLUS (EXHIBITS B AND C)</u>	<u>66,512,527</u>	<u>4,770,508</u>	<u>60,549,732</u>	<u>1,192,287</u>
<u>TOTAL</u>	<u>\$125,331,102</u>	<u>\$10,005,632</u>	<u>\$113,846,008</u>	<u>\$1,179,466</u>

See notes appended to this exhibit which are made an integral part hereof.

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES FORMING AN INTEGRAL PART OF EXHIBIT A

- Note 1: Fixed capital properties are not recorded on the general accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.
- Note 2: Proceeds from the sale of certain land and buildings during the fiscal year ended June 30, 1954, aggregating \$498,922, were deposited with the Treasurer to the credit of the School District general fund and accordingly are included in the "Current Funds" column of the foregoing balance sheet. Of this amount, plus the balance at the beginning of the year of \$654,091, the Board of Education appropriated \$326,686 for capital outlay and \$826,327 remains specifically reserved for the same purpose.
- Note 3: Bonded debt and bond interest are not recorded on the accounts of the School District since they are general obligation of the City and County of San Francisco and not School District liabilities. These items are shown in the foregoing balance sheet only as a matter of record.
- Note 4: Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$50,000.
- Contingent liability for compensation insurance claims pending June 30, 1954 is estimated by the San Francisco City and County Employees' Retirement System to be approximately \$125,000.

EXHIBIT B
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CURRENT SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1954

<u>BALANCE - JUNE 30, 1953</u>	\$3,407,294
Add:	
Net revenues for fiscal year ended June 30, 1954 (Exhibit D)	1,321,621
Net adjustment for delinquent taxes and penalties	<u>41,593</u>
<u>BALANCE - JUNE 30, 1954</u>	<u>\$4,770,508</u>

EXHIBIT C
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 1954

<u>BALANCE, JUNE 30, 1953</u>			\$58,250,806
Add:			
Capital outlay from non-capital funds:			
Capital outlay shown by School District Records:			
From school general funds	\$787,816		
From child care centers	<u>6,102</u>		
	793,918		
Miscellaneous adjustments	<u>442</u>	794,360	
Other revenue:			
Rentals	686		
Miscellaneous sales	<u>15,050</u>	15,736	
Bonded debt matured during year		<u>1,635,000</u>	
		60,695,902	
Deduct:			
Cost or assigned book value of properties sold:			
Lot 30, Block 3758	\$83,208		
Block 2155	<u>39,955</u>	123,163	
Cost or assigned book value of equipment disposals during year	<u>23,007</u>	<u>146,170</u>	
<u>BALANCE, JUNE 30, 1954</u>			<u>\$60,549,732</u>

Note: Gain on sale of Lot 30, Block 3758 and Block 2155 (\$370,262) was transferred to Current Surplus.

EXHIBIT D

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended June 30,	
	1954	1953
REVENUES (EXHIBIT E)	\$34,692,267	\$31,194,702
OPERATING EXPENSES:		
Administration	951,182	791,351
Instruction	23,005,957	21,000,686
Auxiliary services	294,972	271,235
Operations	2,539,977	2,328,596
Plant and equipment	3,416,225	3,211,444
Fixed charges	3,496,225	3,342,209
Transportation of pupils	353,232	307,527
Food service	122,086	120,277
Community services	262,700	219,780
Tuition from other districts	1,291	2,560
Total direct expenses	<u>32,620,493</u>	<u>30,193,865</u>
AUXILIARY (INDIRECT) SERVICES CONTAINED BY THE BOARD OF HEALTH:		
Sanitation	85,452	84,615
Dental inspection	46,886	48,081
Nurse service	<u>323,424</u>	<u>292,058</u>
Total indirect expenses	455,762	424,754
Total operating expenses (Exhibit F)	<u>33,076,255</u>	<u>30,618,619</u>
EXCESS OF REVENUES	<u>1,616,012</u>	<u>576,083</u>
CAPITAL OUTLAY FROM CURRENT FUNDS	787,816	822,898
Less:		
Sale of land and buildings	493,425	756,498
Net capital outlay from current funds (Exhibit F)	<u>294,391</u>	<u>66,400</u>
NET REVENUES	<u>\$ 1,321,621</u>	<u>\$ 509,683</u>

EXHIBIT E

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF REVENUE
FOR FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended June 30,	
	1954	1953
PROPERTY TAXES AND PENALTIES	\$20,595,789	\$19,697,127
RECEIVED FROM STATE OF CALIFORNIA:		
Elementary schools	7,119,617	5,500,537
High schools and city college	3,680,328	2,926,944
State bonds	659,150	757,567
Retirement subventions	<u>11,573,503</u>	<u>9,165,048</u>
Total		
OTHER REVENUES:	109,105	70,310
San Francisco Housing Authority	57,461	57,192
Federal and state vocational education		
Reimbursement for veterans' vocational training	238,477	132,018
Tuition from other counties	353,181	359,815
Rentals	364,083	363,736
Public Law 874 and other federal aid	470,180	723,553
Miscellaneous	<u>474,726</u>	<u>181,189</u>
Total	2,067,213	1,907,773
Total direct revenues	34,236,505	30,769,948
AUXILIARY (INDIRECT) REVENUES:		
Services of physicians, dentists and nurses received from Department of Health	455,762	424,754
TOTAL REVENUES	<u>\$34,692,267</u>	<u>\$31,194,702</u>

EXHIBIT F, PAGE 1

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES

FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	<u>Fiscal Years Ended</u> <u>June 30,</u>	
	<u>1954</u>	<u>1953</u>
<u>ADMINISTRATION:</u>		
Salaries	\$ 744,342	\$ 643,528
Supplies	47,665	45,427
Travel expense	14,529	14,332
Miscellaneous	<u>144,646</u>	<u>88,064</u>
Total	<u>951,182</u>	<u>791,351</u>
<u>INSTRUCTION - SALARIES:</u>		
Supervision	408,915	371,035
Elementary schools	9,700,097	8,728,372
Special schools	552,225	505,827
Junior high schools	3,871,874	3,542,655
Senior high schools	4,225,811	3,893,283
Adult schools	859,498	781,165
Trade and industrial schools	378,686	374,746
Continuation school	175,281	165,246
City College	<u>1,713,736</u>	<u>1,588,897</u>
Total	<u>21,886,123</u>	<u>19,951,226</u>
<u>INSTRUCTION - SUPPLIES, ETC.:</u>		
Educational supplies	627,027	626,437
Books	244,735	206,964
Travel expense	19,498	17,223
Miscellaneous	<u>228,574</u>	<u>198,836</u>
Total	<u>1,119,834</u>	<u>1,049,460</u>
<u>AUXILIARY SERVICES:</u>		
Compulsory education	165,083	150,451
Guidance service centers	91,661	86,487
Student placement service	22,072	21,330
Nurse service	9,240	8,020
Miscellaneous	<u>6,916</u>	<u>4,947</u>
Total	<u>294,972</u>	<u>271,235</u>
Carried forward	<u>\$24,252,111</u>	<u>\$22,063,272</u>

EXHIBIT F, PAGE 2
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	<u>Fiscal Years Ended</u>	
	<u>June 30,</u>	
	<u>1954</u>	<u>1953</u>
Brought forward	\$24,252,111	\$22,063,272
<u>OPERATION:</u>		
Janitors, engineers and gardeners:		
Salaries	1,801,557	1,641,975
Supplies	113,379	110,011
Gas and electricity	269,691	239,012
Fuel	65,956	78,672
Water	55,101	52,147
Miscellaneous	234,293	206,779
Total	<u>2,539,977</u>	<u>2,328,596</u>
<u>MAINTENANCE:</u>		
Repairs:		
Buildings and grounds	1,148,034	1,548,846
Janitors' equipment	8,583	8,852
Educational equipment	230,788	241,713
Fire damage		2
Miscellaneous	18,716	11,231
Total	<u>1,406,121</u>	<u>1,810,644</u>
<u>FIXED CHARGES:</u>		
Rents	9,981	7,011
Insurance	74,706	57,000
Compensation and accident claims	97,281	43,595
Contributions to retirement system:		
City	3,455,467	3,179,284
State	45,198	43,308
Miscellaneous	(408)	12,011
Total	<u>3,682,225</u>	<u>3,342,209</u>
<u>TRANSPORTATION OF PUPILS</u>		
	<u>353,292</u>	<u>307,527</u>
<u>FOOD SERVICE:</u>		
Cafeteria supervision	47,007	48,393
Cafeteria maintenance	25,661	23,334
Free meals	20,813	18,295
Health classes and other expenses	28,605	30,255
Total	<u>122,086</u>	<u>120,277</u>
Carried forward	\$32,355,812	\$29,972,525

EXHIBIT F, PAGE 3
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
DETAILS OF EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 1954 AND 1953

	Fiscal Years Ended June 30,	
	<u>1954</u>	<u>1953</u>
Brought forward	<u>\$32,355,812</u>	<u>\$29,972,525</u>
<u>COMMUNITY SERVICES:</u>		
Recreation program	160,124	140,783
Veterans' counseling	54,952	34,218
Civic Center activities	<u>47,624</u>	<u>43,779</u>
Total	<u>262,700</u>	<u>218,780</u>
<u>TUITION PAID TO OTHER DISTRICTS</u>	<u>1,981</u>	<u>2,560</u>
<u>TOTAL DIRECT EXPENDITURES</u>	<u>32,620,493</u>	<u>30,193,865</u>
<u>AUXILIARY (INDIRECT) EXPENDITURES:</u>		
Contributed by Board of Health:		
Medical inspection	85,452	84,615
Dental inspection	46,886	48,081
Nurse service	<u>323,424</u>	<u>292,058</u>
Total	<u>455,762</u>	<u>424,754</u>
<u>TOTAL OPERATING EXPENDITURES</u>	<u>\$33,076,255</u>	<u>\$30,618,619</u>
<u>CAPITAL OUTLAY FROM CURRENT FUNDS:</u>		
Land	\$ 172,344	\$ 123,684
Buildings and improvements	170,306	240,484
Equipment	<u>445,166</u>	<u>458,730</u>
	787,816	822,898
Less:		
Sale of land and buildings	<u>493,425</u>	<u>756,498</u>
<u>NET CAPITAL OUTLAY FROM CURRENT FUNDS</u>	<u>\$ 294,391</u>	<u>\$ 66,400</u>

EXHIBIT G (CONTINUED)

CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
FUNDS BALANCE SHEET - JUNE 30, 1954
(AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

ASSETS

	<u>Total</u>	<u>Cash Available</u>	<u>Accounts Receivable</u>	<u>Other Resources</u>	<u>Unsold Bonds</u>	<u>Inter-fund Accounts</u>	<u>Investment</u>
<u>CURRENT FUNDS:</u>							
School District	\$ 5,435,482	\$ 4,465,551	\$ 886,594	\$ 54,000		\$ 29,337	
<u>CAPITAL FUNDS:</u>							
Real Property	118,646	118,646			\$4,990,000	1,182,083	
1948 School Bonds	17,576,588	11,404,505					
Total	17,695,234	11,523,151			4,990,000	1,182,083	
<u>SPECIAL AND TRUST FUNDS:</u>							
Special Accumulative Building Fund	5,897	5,897					
Child Care Centers	144,031	115,062	28,969				
Withholding Tax	577,821	577,821					
Teachers' Sabbatical Leave	1,254	1,254					
Teachers' Permanent Fund	19,231	19,231					
Teachers' Annuity Fund	13,545	13,545					
Veterans' Education Fund	30	30					
Cafeteria	163,137	125,034	38,103				\$ 5,000
Will C. Steinbrunn Bequest	18,176	10,176					
Ford Foundation	350,000	350,000					
Total	1,290,122	1,218,050	67,072				5,000
<u>TOTAL</u>	\$24,420,838	\$17,206,752	\$ 953,666	\$ 54,000	\$4,990,000	\$1,211,420	\$ 5,000

EXHIBIT G (CONCLUDED)

CITY AND COUNTY OF SAN FRANCISCO SAN FRANCISCO UNIFIED SCHOOL DISTRICT FUNDS BALANCE SHEET - JUNE 30, 1954 (AS SHOWN BY ACCOUNTS OF THE CONTROLLER)

LIABILITIES AND SURPLUS

	Total	Encumbrances	Inter-fund Accounts	Reserve for Delinquent Taxes Penalties, Etc.	Fund Balances		Retirement Trust and Agency Fund Balances
					Unaccum- bered	Unappro- priated	
<u>CURRENT FUNDS:</u>							
School District	\$ 5,435,482	\$ 877,320	\$ 1,184,484	\$ 415,986	\$ 305,663	\$ 2,652,029	
<u>C. FUND FUNDS:</u>							
Real Property	118,646	483	375		25,609	92,179	
1948 School Bonds	17,576,588	7,710,038	960,142		8,871,884	34,524	
Total	17,695,234	7,710,521	960,517		8,897,493	126,703	
<u>SPECIAL AND TRUST FUNDS:</u>							
Special Accumulative Building Fund	5,897				5,897	103,873	
Chilo Cre Centers	144,031	20,627	13,782	749	5,000		\$577,821
Withholding Tax	577,821						1,254
Teachers' Sabbatical Leave	1,254						19,531
Teachers' Permanent Fund	19,231						15,545
Teachers' Annuity Fund	13,545						50
Veterans' Education Trust Fund	30						
Cafeteria	163,137			3	5,033	158,101	15,176
Will C. Steinbrunn Bequest	15,176						580,000
Ford Foundation	580,000						
Total	1,433,137	20,627	13,785	749	15,930	161,974	877,057
<u>TOTAL</u>	<u>\$23,421,839</u>	<u>\$ 8,009,467</u>	<u>\$ 2,208,000</u>	<u>\$ 116,135</u>	<u>\$ 2,218,423</u>	<u>\$ 3,940,700</u>	<u>\$ 877,057</u>

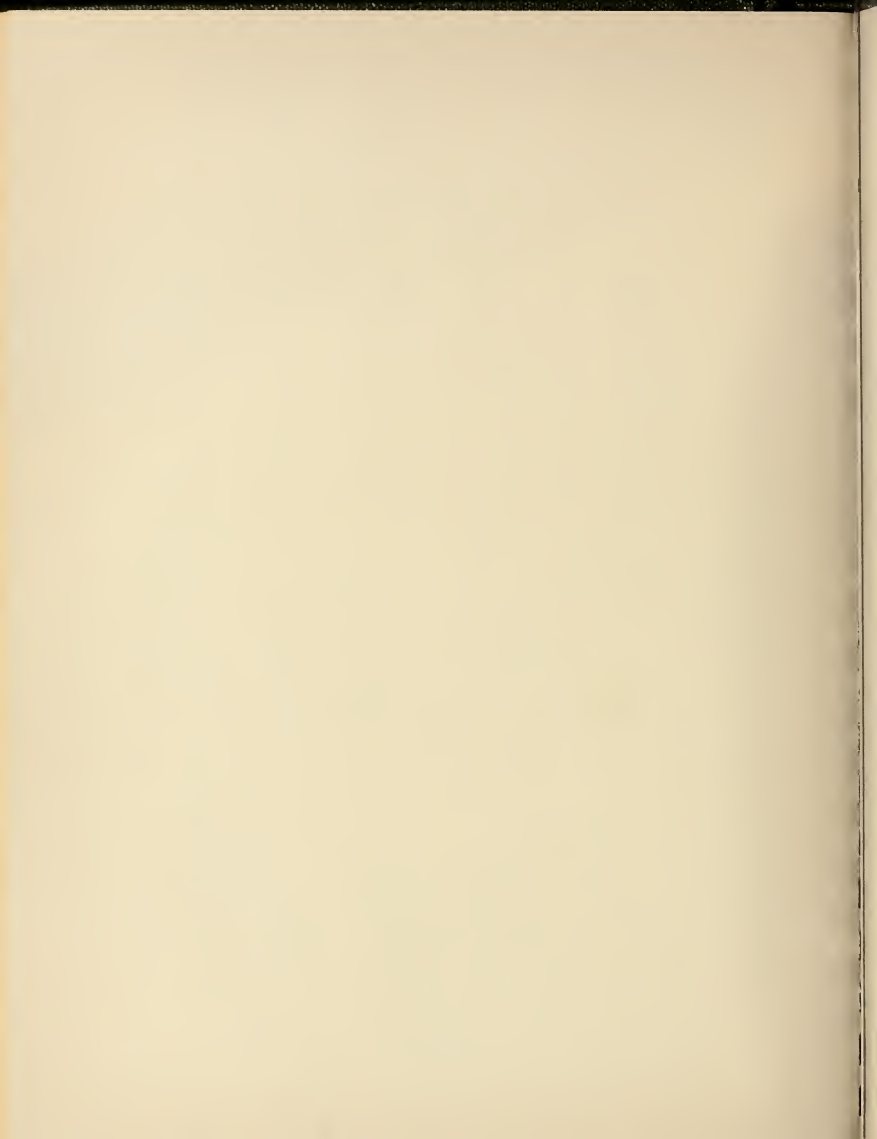
EXHIBIT H (CONTINUED)

**CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET - JUNE 30, 1954

ASSETS

<u>PROPRIETARY BALANCE SHEET (Exhibit A)</u>	<u>Total</u>	<u>Fixed Assets</u>	<u>Cash</u>	<u>Accounts Receivable</u>	<u>Inter-fund Accounts</u>	<u>Unsold Bonds</u>	<u>Deferred Charges</u>	<u>Investments</u>
<u>DEBIT:</u>	<u>\$125,331,102</u>	<u>\$93,285,279</u>	<u>\$19,744,776</u>	<u>\$ 736,362</u>	<u>\$ 29,208</u>		<u>\$11,535,477</u>	
Fixed capital properties	93,285,279	93,285,279						
Warrants and payroll deductions outstanding	2,498,221		2,498,221					
Receivables	4,550		4,550					
Advances to Purchasing Department	192		192					
Bonds matured - unpaid	10,000		10,000					
Bond interest matured - unpaid	20,410		20,410					
Hume Foundation Trust Fund	237		237					
Accounts receivable - tuition	174,770			174,770				
Salary suit repayments	7,580			7,580				
Unpaid taxes	50			50				
Inventories and deferred charges	11,535,477		4,414				11,535,477	
Cash transfers outstanding	4,414							
<u>Total</u>	<u>107,541,180</u>	<u>93,285,279</u>	<u>2,536,024</u>	<u>182,400</u>			<u>11,535,477</u>	
<u>ADD:</u>								
Investments	5,000							5,000
Inter-fund transactions	1,182,212				1,182,212	\$4,990,000		
1948 School Bonds unsold	4,990,000							
Reserve for unsecured property taxes	391,701			391,701				
Estimated Federal Grant Receivable - School Construction Project	54,000			54,000				
Penalties and costs - delinquent taxes	8,003			8,003				
<u>Total</u>	<u>6,630,916</u>			<u>453,704</u>	<u>1,182,212</u>	<u>4,990,000</u>		<u>5,000</u>
<u>FUNDS BALANCE SHEET (Exhibit G)</u>	<u>\$ 24,420,838</u>		<u>\$17,206,752</u>	<u>\$1,007,666</u>	<u>\$1,211,420</u>	<u>\$4,990,000</u>		<u>\$ 5,000</u>



**City and County of San Francisco
Employees' Retirement System**

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**EXAMINATION
FOR THE YEAR ENDED
JUNE 30, 1954**

FRANCIS F. FARQUHAR, C. P. A.
CLIFFORD V. HEIMBUCHER, C. P. A.

DOUGLAS M. DIMOND, JR., C. P. A.
A. BARDEN FINCH, JR., C. P. A.

FARQUHAR & HEIMBUCHER

Certified Public Accountants

220 BUSH STREET, SAN FRANCISCO 4
CALIFORNIA

ASSOCIATED WITH NATIONAL FIRM OF
SCOVELL, WELLINGTON & COMPANY

November 16, 1954

To the Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the balance sheet of the City and County of San Francisco Employees' Retirement System at June 30, 1954 and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of changes in reserves present fairly the financial position of the City and County of San Francisco Employees' Retirement System at June 30, 1954 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Farquhar & Heimbucher

SUMMARY OF CONTENTS

The remainder of this report, in addition to including the financial statements listed below, presents significant comments regarding the accounts and the extent of our verification thereof, under the following headings:

General Comments

Comments on Operations

Comments on Balance Sheet

FINANCIAL STATEMENTS

Exhibit A Balance Sheet at June 30, 1954

Exhibit B Statement of Changes in Reserves for the Year ended June 30, 1954

GENERAL COMMENTS

Our examination was made under the terms of an agreement with the Controller of the City and County of San Francisco dated January 8, 1954. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

The City and County of San Francisco Employees' Retirement System was originally established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, acting under Article XVII of the charter which was adopted at the general election of November 2, 1920. The System was established to provide retirement and death benefits for public employees other than policemen and firemen, who were at that time members of a separate pension system, and officers appointed by the Mayor or elected. In 1925 membership privileges were extended to employees of the San Francisco Unified School District. With the adoption of a new City and County of San Francisco charter effective January 8, 1932 the employees of the police and fire departments were brought into the System, and the present name and administration organization adopted.

The System is administered by the Retirement Board, consisting of seven members: the President of the Board of Supervisors; the City Attorney; three active members of the System elected by the membership; and two members appointed by the Mayor, of whom one is an officer of a bank and the other a resident official of a life insurance company.

The present members of the Retirement Board are Mr. George Christopher, President of the Board of Supervisors; Mr. Dion R. Holm, City attorney, whose designated representative is Mr. Norman S. Wolff; Mr. John F. Brady, Mr. Anselm B. Crowley, and Mr. James J. McGovern, elected by the membership; Mr. Belford Brown of the San Francisco Bank; and Mr. Harry J. Stewart of West Coast Life Insurance Company. Mr. Ira G. Thompson is Secretary and Mr. Ralph R. Nelson is Consulting Actuary of the System.

Membership in the System is now effective for all permanent civil service employees of the City and County of San Francisco, for employees of the San Francisco Unified School District, for certain temporary employees, and for certain elective officials. The present active membership is approximately 19,000, and approximately 4,300 retired employees or their beneficiaries are receiving monthly benefit allowances.

COMMENTS ON OPERATIONS

We have not audited the operating accounts in detail but we have reviewed the system of internal control and the accounting procedures in use and have made sufficient tests of the transactions reflected in the statement of changes in reserves to satisfy ourselves as to its general accuracy.

In the course of our examination we tested members' contributions with payroll records and with established contribution rates. Contributions of the City and County of San Francisco were found to be in accordance with the charter provisions.

In the case of members contributing under the matching plan provided under charter section 165, the City and County of San Francisco contributed amounts equal to the members' normal contributions. Contributions on behalf of members who are contributing under charter sections 165.2, 168.1, and 171.1 were computed at rates established by the consulting actuary. During the year under review these rates were as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rates</u>
Municipal Railway	165.2	6.502%
Water Department	165.2	10.605
Police Department	168.1	21.062
Fire Department	171.1	21.662
All others	165.2	12.553

The above rates were computed on the basis of an actuarial survey as at June 30, 1951 adjusted for charter section changes and amendments.

In addition to the above contributions for current service benefits the City and County of San Francisco made contributions for payments of prior and current service benefits to policemen retired under sections 166 and 167 and firemen retired under sections 169 and 170 and for prior service benefits to other members retired or deceased.

Bond interest earned represents interest collected or accrued less amortization of premiums plus accumulation of discounts.

Profit from sale of bonds, \$ 31,052.74, represents the excess of proceeds realized over the amortized book value of bonds disposed of during the year.

City and County of San Francisco other contributions represent reimbursement of actual administrative expenses and net compensation costs incurred.

We examined or tested distributions to active and retired members and to beneficiaries of deceased members, representing withdrawals of contributions and payment of retirement and death benefits. No discrepancies were noted.

A summary of the benefits paid during the year under review is as follows:

Service retirements	\$ 5,554,621.39
Disability retirements	1,511,566.48
Industrial death allowances	591,704.06
Death benefits to members' beneficiaries	545,599.35
Death benefits to beneficiaries of retired employees	<u>133,485.06</u>
Total	\$ <u>8,366,976.34</u>

Our examination of administrative expenses and compensation costs included tests of invoices and other supporting data and verification of the computation of compensation indemnity payments.

Of the total tax appropriations of prior years in excess of requirements of those years the sum of \$ 450,957.15 has been appropriated to meet requirements for the current year. The net excess of \$ 971,485.30 is also shown as a reserve reduction as a sum due to the City and County of San Francisco. This is in accordance with an opinion of the City Attorney dated September 24, 1954 which holds that such excess is to be returned to the General Fund of the City and County of San Francisco. This excess was formerly carried as a reserve.

The excess of reserve additions over reductions for the year is added to the several reserve accounts which are described elsewhere in this report.

COMMENTS ON BALANCE SHEET

In the following paragraphs we comment on the assets and liabilities of the System in the order in which they appear on the balance sheet, Exhibit A.

Cash - \$ 2,290,435.05

Cash on deposit with the Treasurer of the City and County of San Francisco, \$ 2,290,435.05, was verified by reconciliation with the balance shown on a certificate obtained direct from the General Audit Division of the Controller's Office, who performed the audit of the Treasurer's Office.

Certain warrants, amounting to \$ 35,985.87, which were cancelled by the Controller's department after they had remained unpaid for a considerable period of time are being carried as outstanding warrants in the accounts of the System and have been deducted from the above cash balance. The System is presently attempting to locate the payees of these warrants and make payment to them.

Employees' Contributions In Process of Collection - \$ 493,162.00

The above amount represents contributions withheld from employees' salaries for May and June, 1953, for which cash transfers were made after June 30, 1954. This amount was confirmed by direct communication with the office of the Controller.

City and County of San Francisco Contributions
and Reimbursements - \$ 603,420.66

A summary of the balances due from the City and County of San Francisco at June 30, 1954 is as follows:

City and County contributions due from public utilities and special funds	\$ 499,503.57
Contributions of policemen paid to Police Relief and Pension Fund prior to January 8, 1932	61,469.16
Due from special funds	
Compensation costs	<u>42,447.93</u>
Total	\$ <u>603,420.66</u>

The amounts due for City and County of San Francisco contributions due from public utilities and special funds represent contributions for May and June, 1954, for which cash transfers were made after June 30, 1954.

Contributions of policemen made prior to January 8, 1932, were not transferred to the Retirement System when the police department joined the Retirement System on that date. Instead, the balance is reduced at the time of separation, death, or retirement of each member by the amount of the contribution made to the former fund by that individual member plus interest and charged against current tax appropriations. It was not possible for us to confirm this balance with outside sources, but we reviewed the changes in the account during the year under review.

The amounts due from special funds for compensation costs were verified by examination of the books of the Controller.

We have obtained confirmation of the other amounts due from the City and County of San Francisco by communicating direct with the office of the Controller, and, in cases of departments being currently audited by other certified public accountants, by communicating direct with their auditors.

Bond Interest Received - \$ 1,021,772.91

We have satisfied ourselves by an independent calculation that the above amount of \$ 1,021,772.91 represents the bond interest earned but not yet received at June 30, 1954.

Estimated Future City and County of
San Francisco Contributions for
Compensation Claims Pending - \$ 1,005,069.02

The above figure represents the estimated amount to be received from the City and County of San Francisco to meet future payments of existing compensation claims at June 30, 1954. This amount is offset on the balance sheet by a similar amount representing the estimated liability for such claims.

This figure is based on estimates of the Compensation Division and was not verified by us.

Under the provisions of the Charter of the City and County of San Francisco, the benefit provisions of the workmen's compensation insurance and safety laws of the State of California, as they affect officers and employees of the City and County, are administered by the Retirement Board. Benefits under such risks as are assumed by the City and County are paid by the Retirement System from funds furnished by Special Fund Agencies and tax appropriation.

Bond Investments - \$ 142,495,204.83

Bonds owned by the System are held in the joint custody of the Controller and the Treasurer of the City and County of San Francisco. They were verified by us by inspection as at June 30, 1954.

The above amount represents the purchase price of bonds owned adjusted for amortization of premiums and discounts from the dates of purchase to June 30, 1954. We did not ascertain the current market value of these securities. None of the bonds owned were in default as to principal or interest at June 30, 1954.

All bonds owned are of the character legal for investment by insurance companies in the State of California.

On the books of the System the amortized value of the bond investments is reduced by the balance of the undistributed earnings from the disposition of certain bonds in prior years. For financial statement purposes, however, this balance, which amounted to \$ 2,699,913.99 at June 30, 1954, is shown as a reserve as described later in this report.

Tax Appropriations in Excess of Requirements
Payable to City and County of San Francisco - \$ 971,485.30

This account represents the accumulated net excess of City and County of San Francisco tax appropriations allocated to the Retirement System in prior years over the pension costs incurred.

The tax allocation has been made annually at the beginning of the year and in any one year may have been greater or smaller than the actual requirements for that year. The present net excess has accumulated since July 1, 1946.

The City Attorney has rendered an opinion, as previously requested by the Retirement System, regarding the disposition of this account. Opinion number 881, dated September 24, 1954, provides that the excess in the appropriations made to the Retirement System since July 1, 1946 is to be returned to the General Fund in accordance with Section 80 of the charter. The excess of this nature accumulated prior to July 1, 1946, \$ 257,888.43, is to be retained by the Retirement System as a reserve against the obligations of the City and County of San Francisco on account of benefits that have been granted and on account of prior service of members. This amount is included in the reserves of the System.

In accordance with the City Attorney's opinion the unallocated tax appropriation, \$ 971,485.30, is now payable to the City and County of San Francisco.

This excess has been derived as follows:

Unallocated tax appropriations balance at June 30, 1953		\$ 1,422,442.45
Deduct Fixed charges for current and prior service and other costs	9,779,387.90	
Less Tax appropriations allocated to the Retirement System for current year	<u>9,328,430.75</u>	<u>450,957.15</u>
Net excess at June 30, 1954		\$ <u><u>971,485.30</u></u>

Compensation Costs - \$ 22,639.54

This amount includes medical bills of \$ 22,603.94 and filing fees of \$ 35.60 actually determined at June 30, 1954.

Accumulated Contributions of Former Members - \$ 23,260.80

This amount consists in most part of pension warrants issued to a member who was elected as an officer of the County after retirement, and who declined pension payment. The remaining balance in this account represents warrants issued for withdrawals of contributions, but not yet presented for payment.

Advances from Private Sources - \$ 1,675.00

The above represents unexpended amounts received from various organizations for actuarial valuation expenses pertaining to proposed legislation affecting the retirement statutes.

Estimated Liability for Compensation Insurance
Claims Pending - \$ 1,005,069.02

This amount is based on estimates by the Compensation Division and was not verified by us. It is offset by a similar amount shown as due from the City and County of San Francisco.

Reserves for Current Service Benefits

Already Granted - \$ 38,226,948.25

This account represents reserves necessary to provide annuities and pensions for current service to retired members or their beneficiaries. Such reserves are not provided to meet pension requirements for prior service nor for current or prior service in the case of policemen retired under charter section 166 or of firemen retired under charter section 169, as such costs are covered by current contributions of the City and County of San Francisco.

These reserves are based originally on contributions accumulated by or for members, plus interest credited, less subsequent payments. However, since retirement benefits are on a guaranteed basis, some members' accounts eventually show payments in excess of the accumulated reserves while in other cases the reserves will exceed the actual payments. Therefore, as required by law, an actuarial valuation of these reserves is made every six years based on current mortality and interest rates. Such an actuarial survey was made as at June 30, 1951 upon which the above amount was based.

Reserves for Current Service Benefits

Not Yet Granted - \$ 98,141,452.99

Members' contributions accumulated, as required by the applicable sections of the charter, together with the accrued interest amounted to \$ 47,445,128.85. We have ascertained that this total is the aggregate of the balances reflected on individual members' accounts. We tested postings to the individual accounts from the payroll records and other sources. In all cases tested members were found to have been credited with their payroll withholdings and also with interest for the year ended June 30, 1954 at the rate of two and one-half percent.

Statements of accounts as at June 30, 1954 were prepared for substantially all active members and delivered by us to the various departments of the City and County for distribution to the members. Each statement carried a request that the member communicate direct with us if he believed it to be incorrect. All discrepancies

Contingency reserve against adverse experience, \$ 4,304,443.04 represents interest earned on investments in excess of the amount allocated to all accumulated contributions and reserve accounts at the rates established by the Retirement Board. Also included in this account are accumulated profits of \$ 2,357,203.47 from the sale of bonds in prior years.

This reserve was established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, as approved by the Retirement Board at their meeting of December 1, 1948.

Changes in this account during the year under review were as follows:

Balance at June 30, 1953		\$ 3,519,510.90
Bond interest earned	3,777,051.36	
Prior years' profit on sale of bonds applied during the year	216,877.97	
Interest earned on City and County of San Francisco balance	1,624.32	
Other income and adjustments	<u>1,990.01</u>	<u>3,997,543.66</u>
Total		7,517,054.56
Less Interest credits to all accumulated contributions and reserves		<u>3,212,611.52</u>
Balance at June 30, 1954		\$ <u><u>4,304,443.04</u></u>

CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM

EXHIBIT A - BALANCE SHEET AT JUNE 30, 1954

ASSETS		LIABILITIES	
CASH		LIABILITIES CURRENTLY PAYABLE	
RECEIVABLES		payable to City and County of San Francisco	\$ 971,485.30
Employees' contributions in process of collection	593,162.00	Compensation costs	22,639.54
City and County of San Francisco contributions	603,420.66	Accumulated contributions of former members	23,260.00
Bond interest accrued	1,021,772.91	Advances from private sources	1,075.00
Employees' contributions to City and County of San Francisco		Unlocated earnings from sale of bonds	
contributions for compensation claims		claims pending (contra)	1,005,069.02
pending (contra)	1,005,069.02		<u>3,024,129.66</u>
		RESERVE	
		For current service benefits already granted	
BOND INVESTMENTS AT AMORTIZED VALUE		Service retirement	7,819,029.44
(Payable to City and County of San Francisco)		Disability retirement	20,045,753.39
United States Government	63,701,160.69	Annuitants	773,957.96
California municipalities, school districts, and other divisions	9,342,706.06	Members' death allowances	7,829,666.82
Municipalities other than California	4,217,690.05	Annuitants	145,308.19
Railroads	2,275,441.16	Pensions	<u>1,613,232.43</u>
Equipment trusts	14,627,637.12		
Railroad terminals	1,237,123.43	For current service benefits not yet granted	
Public utilities	19,039,671.62	Members' accumulated contributions	
		Normal - General	38,339,499.55
		Police	14,571,930.55
		fire	3,558,548.12
		Additional	975,159.63
			<u>1,744,551,123.85</u>
		City and County of San Francisco	
		accumulated contributions	50,696,231.11
		For death benefits on deposit	96,311,162.99
		Other	<u>21,136.16</u>
		City and County of San Francisco	
		contributions reserved for prior and	
		current service benefits not otherwise	
		unlocated	2,490,740.38
		Unlocated earnings from sale of bonds	2,659,931.99
		Contingency reserve against adverse	
		experience	<u>4,340,443.44</u>
			<u>\$ 117,999,664.17</u>

Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1954

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 20, 1954

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Report on Examination of Accounts
Fiscal Year Ended June 30, 1954

Dear Sir:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination, to the extent outlined in this report, was made of the office of the Treasurer of the City and County of San Francisco for the Fiscal Year ended June 30, 1954.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

AUTHORITY

Operations of the Treasurer's Office are governed by provisions of the General Laws of the State of California, the City and County Charter and ordinances and resolutions of the Board of Supervisors. The laws pertaining to those operations are cited in audit reports of prior years. Pertinent excerpts on current laws are cited in applicable sections of this report.

SCOPE OF EXAMINATION

Examination was made of accounts and records maintained by the Treasurer, including a verification of money and securities received and disbursed during the fiscal year and the accountability as at June 30, 1954, according to Controller's records, as hereinafter reported. In view of existing methods of internal check and continuous audits of receipts and disbursements maintained between the offices of the Treasurer and Controller, a detailed audit thereof was not duplicated by this examination.

Cash on hand was verified June 30, 1954, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the several depositaries.

Securities and other assets in the custody of the Treasurer on June 30, 1954, were verified as hereinafter reported.

Revenues and expenditures in connection with the operation of the Treasurer's Office during the fiscal year were confirmed against the Controller's records.

Unused prenumbered fee tags in possession of the Treasurer were in agreement with the fee tags charged to the Treasurer by the Controller's Revenue Division.

The Treasurer's Office was the depository of funds of the Islais Creek Reclamation District. During the fiscal year, all funds of the District were withdrawn and the District dissolved. An examination of the records of the District was not included in this assignment.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1954, amounted to \$335,133,088.26, as compared with June 30, 1953 accountability of \$332,831,808.19, summarized as follows:

	June 30, 1954	June 30, 1953
Cash and Cash Items	\$ 84,846,611.76	\$ 92,839,594.19
Securities (Bonds at Par Value)	250,281,437.50	239,992,175.00
Other Deposits (Corporate Stock)	5,039.00	39.00
Total (Exhibit "A")	<u>\$335,133,088.26</u>	<u>\$332,831,808.19</u>

Cash and cash items totaling \$84,846,611.76, detailed in Exhibit "A", consists of cash on hand, cash in banks, and other items representing cash at the close of business June 30, 1954. The \$84,846,611.76 was in agreement with the total charged the Treasurer by the Controller as at that date, as indicated in the following comparative summary:

	June 30, 1954	June 30, 1953
Cash and Cash Items on Hand	\$ 1,187,022.11	\$ 1,335,663.74
Cash in Banks	82,930,764.88	90,594,501.97
United States Bonds (Par Value)	69,300.00	108,900.00
Total verified at June 30th	<u>\$ 84,187,086.99</u>	<u>\$ 92,039,065.71</u>
Deposits received after June 30th, applicable to the fiscal year under review	659,524.77	800,528.48
Total June 30th, Per Treasurer and Controller	<u>\$ 84,846,611.76</u>	<u>\$ 92,839,594.19</u>

The above \$84,846,611.76 was reconciled with Controller's available cash of \$74,440,514.07; the difference of \$10,406,097.69 consists of outstanding items per Controller's Division of Accounts and Reports as follows:

	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$7,127,922.35	\$ 3,072,433.84	\$ 10,200,356.19
Matured and Unpaid Bonds	13,000.00	94,200.00	107,200.00
Matured and Unpaid Bond Coupons	17,322.75	81,218.75	98,541.50
Total	<u>\$7,158,245.10</u>	<u>\$ 3,247,852.59</u>	<u>\$ 10,406,097.69</u>

CASH AND CASH ITEMS ON HAND \$1,187,022.11

The \$1,187,022.11 consisted of:

<u>Item</u>	<u>Amount</u>	<u>Audit Comment</u>
Coin and Currency	\$ 808,681.83	Verified by count.
Checks on Hand for Deposit	377,478.77	Appeared in order; deposited in Bank 7-1-54.
Due from Clearing House	37.00	Overpayment \$37.00 - adjusted 7-1-54.
Special Deposit - Health Service System	824.51	Redeposited to the Health Service System's Account in Bank of America on 7-1-54
Total	<u>\$1,187,022.11</u>	

CASH IN BANKS \$82,930,764.88

Cash confirmed directly to be on deposit in banks at the close of business June 30, 1954, in the amount of \$83,822,201.03, as detailed in Exhibit A-1, was reconciled with balances reflected on Treasurer's records totaling \$82,930,764.88; segregated as follows:

Bank	Amount of Deposit		Total	Per Cent
	Inactive	Active		
American Trust Company	\$ 4,000,000.00	\$ 2,923,987.08	\$ 6,923,987.08	8.36%
Anglo Calif. National Bank	7,375,000.00	2,494,379.71	9,869,379.71	11.90%
Bank of America	26,050,000.00	10,478,085.03	36,528,085.03	44.04%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.20%
Bank of California	4,250,000.00	4,250,000.00	8,500,000.00	10.25%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.20%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.60%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.57%
Crocker First National Bank	1,500,000.00	1,000,000.00	2,500,000.00	3.01%
Pacific National Bank	750,000.00	750,000.00	1,500,000.00	1.81%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.60%
San Francisco Bank	2,500,000.00	3,500,000.00	6,000,000.00	7.24%
Wells Fargo Bank & Union Trust Co.	4,000,000.00	2,809,313.06	6,809,313.06	8.22%
Total	\$52,575,000.00	\$30,355,764.88	\$82,930,764.88	100.00%

Ratio of Deposits	63.39%	36.61%	100.00%
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Inactive Accounts in the total of \$52,575,000.00, represented by Certificates of Deposit, are in agreement with the Treasurer's ledger accounts and banks' confirmations. Interest earnings on Inactive Accounts during 1953-1954 were at the rate of 1% on 30 days' notice, (except Bank of Canton-90 days' notice), and 1½% and 1½% on 90 days' notice, as detailed in Exhibit A-1, and hereafter discussed under "Revenues". All inactive accounts are maintained in compliance with Government Code Section 53643, which reads:

"53643. Term deposits: Maximum term.

The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depository.

The term shall not exceed one year".

The Active Balances of \$30,355,764.88 were reconciled with \$31,247,201.03 confirmed to be on deposit by banks. The difference of \$891,436.15 consists of currently outstanding checks in the amount of \$898,117.24 and one check for \$50.00 dated December 20, 1944, less a deposit received by the Bank of America July 1, 1954 in the amount of \$6,731.09 which appeared on the Treasurer's records as June 30, 1954.

As detailed on Exhibit A-1, the amount on deposit with banks as at June 30, 1954, are within the limitations specified in Government Code Section 53638, which reads:

"The deposit shall not exceed the total paid-up capital and surplus of any depository".

Resolution 3469 of the Board of Supervisors, approved August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active and inactive accounts.

UNITED STATES BONDS (BAIL DEPOSITS) - \$69,300.00 Par Value

United States Bonds having a par value of \$69,300.00, representing deposits with the Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurers, per Controller's records. Of this amount, Court Orders for the release of \$13,050.00 par value bonds, representing 51 deposits, which were validated by the Controller for release or forfeiture are still in possession of the Treasurer as at June 30, 1954. It is suggested that the forfeited bonds, which represent a General Fund Item, be converted to cash.

DEPOSITS AFTER JUNE 30, 1954 - \$659,524.77

The \$659,524.77 represents collections by various City and County Departments pertaining to transactions for 1953-1954, which were deposited with the Treasurer in July 1954, as follows:

July 1, 1954	\$405,508.06
July 2, 1954	89,898.50
July 6, 1954	164,118.21
Total	<u>\$659,524.77</u>

TREASURER'S CASH AND CASH ITEMS - \$84,846,611.76

The Treasurer's cash and cash items in the total of \$84,846,611.76 are detailed by individual funds in Exhibits D, D-1, and D-2; reconciled as to cash transactions for the fiscal year 1953-1954, in Exhibit "C"; and summarized and compared by fund classifications as follows:

CLASSIFICATION BY FUNDS

	June 30th	
	1954	1953
<u>CURRENT FUNDS:</u>		
General City	\$34,276,284.92 (1)	\$33,048,559.50 (1)
Public Service Enterprises	8,406,253.07	8,853,391.05
General City - Bond Interest	32,612.06	16,010.25
Public Service - Bond Interest	804,968.75	861,255.00
General City - Bond Redemption	13,000.00	10,000.00
Public Service Enterprises - Bond Redemp.	2,094,200.00	2,057,200.00
TOTAL CURRENT FUNDS (EXHIBIT D)	<u>\$45,627,318.80</u>	<u>\$44,846,415.80</u>
<u>CAPITAL FUNDS:</u>		
General City	19,448,680.63	20,971,793.75
Public Service Enterprises	12,803,589.83	20,247,166.28
TOTAL CAPITAL FUNDS (EXHIBIT D-1)	<u>\$32,252,270.46</u>	<u>\$41,218,960.03</u>
<u>SPECIAL AND TRUST FUNDS:</u>		
Private Trusts	1,977,312.22	1,929,900.13
Public Trusts	4,189,278.67	3,978,154.41
Assessment and Redemption	12,343.55	12,343.55
Agency	788,088.06	853,520.27
TOTAL SPECIAL AND TRUST FUNDS (EXHIBIT D-2)	<u>\$ 6,967,022.50</u>	<u>\$ 6,774,218.36</u>
TOTAL OF ALL FUNDS (EXHIBIT C)	<u>\$84,846,611.76</u>	<u>\$72,839,594.19</u>

- (1) Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,235.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES - PAR VALUE - \$250,286,476.50

Securities in the joint custody of the Treasurer and Controller as provided in Charter Section 83, were examined and verified as hereinafter reported. All securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault of the Treasurer and Controller. The total par value of securities charged to the Treasurer as at June 30, 1954, are compared with Controller's book values, as follows:

CHARGED BY THE CONTROLLER:

BONDS:

	<u>Treasurer's Par Value</u>	<u>Controller's Book Value</u>
Employees' Retirement Fund	\$142,413,987.50	\$142,495,204.83
Bequest and Trust Funds	361,500.00	362,682.50
Deposits on Leases	106,500.00	106,500.00
Miscellaneous Deposits	1,450.00	1,450.00
Total	<u>\$142,883,437.50</u>	<u>\$142,965,837.33</u>

CORPORATE STOCK:

Bequest Funds	\$ 39.00	\$ 2,094.25
Deposits on Leases	5,000.00	5,000.00
Total	<u>\$ 5,039.00</u>	<u>\$ 7,094.25</u>

NOT CHARGED BY THE CONTROLLER:

	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
Collateral Securities (Bonds)	<u>\$107,398,000.00</u>	<u>\$109,276,597.41</u>
TOTAL SECURITIES ACCOUNTED FOR BY THE TREASURER, JUNE 30, 1954	<u>\$250,285,476.50</u>	<u>\$252,249,528.99</u>

EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$142,413,987.50

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1954, in conjunction with representatives of Farquhar and Heimbucher, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to the Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in a memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of bonds \$142,413,987.50, on hand with the Treasurer, was confirmed by the Employees' Retirement System; the total was in agreement with Controller's Security Ledger.

EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$142,413,987.50 (Continued)

Transactions during the fiscal year 1953-1954 are summarized at par values from the Controller's records as follows:

	<u>Par Value Bonds</u>
Bonds on hand June 30, 1953, per prior annual audit report	\$125,953,975.00
Add: Purchases during 1953-1954	17,625,000.00
	<u>\$143,578,975.00</u>
Less: Matured, Called or Sold during the fiscal year	1,164,987.50
Balance on Hand - June 30, 1954	<u>\$142,413,987.50</u>

BEQUEST AND TRUST FUNDS - \$361,500.00 PAR VALUE BONDS

The above bonds with unmatured interest coupons attached were examined and verified with Controller's records, as detailed in Exhibit A-2 (by funds) and Exhibit A-3 (by securities).

During the fiscal year, the following changes were made in Bequest and Trust Fund securities:

Honora Sharp Bequest - United States Treasury Bonds, Par Value \$9,000.00 were sold October 28, 1953, and the proceeds \$9,050.40 were credited to the cash of the bequest fund.

Fuhrman Bequest - United States Treasury Bonds, Par Value \$4,500.00 matured September 15, 1953 and an additional investment of \$15,000.00 in United States Treasury Bonds was added to the bequest fund investments.

Panama Pacific Exposition Trust Fund - During May 1954, \$1,000.00 par value New York City Stock (Bonds) matured and the proceeds were credited to the Trust Fund Cash Account. Resolution No. 1100, Passed by the Trustees of the War Memorial on December 27, 1937, declared the sum of \$15,000.00 to be the principal sum of the fund for the purposes of the investment and reinvestment. Pursuant to the Trust Agreement, the net income from the fund is to be paid to a student of the University of California, appointed by the Regents of the University. The investment of the fund as at June 30, 1954 was \$14,000.00. It is now in order that the \$1,000.00 be reinvested to comply with the above resolution.

The collection and deposit of interest coupons on the above bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

DEPOSIT ON LEASES - \$106,500.00 - PAR VALUE BONDS

Security on various leases of City and County property is represented by deposits of United States Treasury Bonds, Par Value \$106,500.00. The deposits conform to provisions of leases and amounts reflected on Controller's records, as detailed on Exhibit A-3.

MISCELLANEOUS DEPOSITS - UNITED STATES SAVINGS BONDS - \$1,450.00

The \$1,450.00 represents deposits with the Treasurer for safekeeping by the following departments, as detailed on Exhibit A-3:

County Clerk, Superior Court Action 396879, Estate of Henry J. Byrne	\$1,425.00
Recreation and Park Department, North Beach Playground, per Supervisor's Resolution 12022	25.00
Total	<u>\$1,450.00</u>

CORPORATE STOCK - \$5,039.00

Corporate stock of \$5,039.00, par value, as detailed in Exhibit A-3, consists of:

	Treasurer's Records (Par Value)	Controller's Book Value
<u>BEQUEST FUNDS-INVESTMENTS:</u>		
August Brunetti Bequest:		
Bank of America N.T. & S.A. - 2 Shares Common Stock	\$ 25.00	\$ 36.50
Transamerica Corporation 7 Shares Capital Stock	14.00	57.75
Llewella F. Lewis Bequest:		
Smart, Final & Iris 400 Shares Common Stock	No Par	2,000.00
Bequest Fund Investments	39.00	2,094.25

DEPOSITS ON LEASES:

50 Shares-Pacific Telephone & Telegraph Co. Common Stock, deposited by John H. Partridge on lease, Marshall Square Property	5,000.00	5,000.00
TOTALS	<u>\$5,039.00</u>	<u>\$7,094.25</u>

COLLATERAL SECURITIES - \$107,398,000.00 PAR VALUE BONDS

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1954, were examined and verified by direct confirmation. The total par value of \$107,398,000.00 was in agreement with the Treasurer's Security Register and bank ledger accounts. These securities consisted of Federal, State or other Government Bonds of the type required by Government Code Section 53651; approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities had a market value of \$109,276,597.41 at June 30, 1954, to secure the \$83,822,201.03 on deposit on that date. The \$109,276,597.41 was at least 10 per cent in excess of deposits which did not exceed the face value of the collateral, in conformity with Government Code Section 53657.

COLLATERAL SECURITIES - \$107,398,000.00 PAR VALUE BONDS (Continued)

The individual balances on deposit in banks, the par and market value of collateral securities, and the percentage of market value in excess of bank deposit, are detailed in Exhibit A-1.

MISCELLANEOUS

Miscellaneous assets and documents in the joint custody vault, having no book value, were examined as detailed on Exhibit A-3.

UNSOLD CITY AND COUNTY BONDS - \$38,555,000.00

Unsold (Unissued) City and County Bonds at June 30, 1954 amounted to \$38,555,000.00, which represents the remainder from issues totaling \$121,135,000.00 authorized by the electorate in amounts and on dates indicated:

	Total Authorized	Sold Prior to 1953-1954	During 1953-1954	Unsold June 30, 1954
<u>Authorized Nov. 4, 1947</u>				
Street Improvement	\$22,850,000	\$14,900,000	\$ 1,000,000	\$ 6,950,000
Recreation	12,000,000	8,230,000	- -	3,770,000
Off-Street Parking	5,000,000	1,000,000	- -	4,000,000
<u>Authorized June 1, 1948</u>				
Sewage Treatment	15,000,000	12,550,000	1,000,000	1,450,000
<u>Authorized Nov. 2, 1948</u>				
Schools	48,890,000	40,900,000	3,000,000	4,990,000
<u>Authorized Nov. 4, 1952</u>				
Firehouse	4,750,000	- -	- -	4,750,000
<u>Authorized June 8, 1954</u>				
Sewer	12,645,000	- -	- -	12,645,000
Total	<u>\$121,135,000</u>	<u>\$77,580,000</u>	<u>\$ 5,000,000</u>	<u>\$38,555,000</u>

There were no printed unsold bonds on hand. The amount of \$38,555,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of bonds only when a sale has been made by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides for rates of compensation of said fiscal agent.

FISCAL AGENT - NEW YORK (Continued)

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1954, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York. Compensation of \$12,712.70 due in quarterly installments for the year was computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1953-1954
Bonds	\$ 9,321,000.00	1/20 of 1%	\$ 4,660.50
Coupons (201,305)	2,603,766.25	<u>4¢ each</u>	8,052.20
	<u>\$11,924,766.25</u>		<u>\$12,712.70 (1)</u>

(1) Includes \$1,851.72, for the last quarter, which was paid July 28, 1954, by Controllers Warrant 6339-2.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County Employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 12, 1942. In addition bonds were purchased by employees upon receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County Employees during the Fiscal Year 1953-1954 amounted to \$604,314.50, as compared to \$560,475.00 for the previous year. Receipts on file evidence that all bonds purchased during the fiscal year were delivered to authorized departmental representatives for delivery to employees.

Cash on hand June 30, 1954, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$37,936.83, which was in agreement with the balance in the Controller's Private Trust General Ledger Account "War Bonds" as shown on Exhibit D-2. Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES

Revenues derived through the operation of the Treasurer's Office, exceed expenditures and encumbrances by \$534,056.95, as compared with \$482,200.16 for the prior fiscal year, summarized as follows:

	<u>1953-1954</u>	<u>1952-1953</u>
<u>Revenues:</u>		
Interest Earned on Inactive Bank Deposits	\$615,018.93	\$564,398.07
Commission on Inheritance Tax Collections	31,211.21	31,733.98
Duplicate "Inheritance Tax Receipt Fees", etc.	86.00	111.00
Conscience Money	130.00	237.11
Total Revenue	<u>\$646,446.14</u>	<u>\$596,480.16</u>
Less: Expenditures and Encumbrances (Per Controller's Appropriation Accounts)	<u>112,389.19</u>	<u>114,280.00</u>
Revenues in excess of expenditures and encumbrances	<u>\$534,056.95</u>	<u>\$482,200.16</u>

REVENUES AND EXPENDITURES (Continued)

A detailed five-year comparative statement of revenues and expenditures and encumbrances is reflected on Exhibit B.

Comments relative to items appearing above are as follows:

Interest Earned on Inactive Bank Deposits - \$615,018.93

Interest earned in the above amount during the fiscal year, as recorded by the Controller, was in agreement with deposits of interest as recorded by the Treasury; computed at rates provided by agreements with depositaries on daily balances on deposit, and paid quarterly, in accordance with Government Code Section 53645, summarized as follows:

<u>Rates of Interest</u>	<u>Deposits Callable</u>	<u>Interest Received</u>	
		<u>1953-1954</u>	<u>1952-1953</u>
1%	On deposits callable on 30 days' notice, except Bank of Canton which required 90 days' notice	\$346,268.84	\$347,509.74
1½%	On deposits callable on 90 days' notice	8,125.02	216,888.33
1½%	On deposits callable on 90 days' notice	260,625.07	
	Total Interest Earned	<u>\$615,018.93</u>	<u>\$564,398.07</u>

Interest earned during 1953-1954 was distributed and compares as follows:

	1953-1954 Budget Estimate	Interest Earned	
		1953-1954	1952-1953
Funds Credited:			
General Fund	\$530,000.00	\$574,522.88	\$526,102.01
Municipal Railway Fund	15,000.00	20,977.25	20,090.61
Total Unapportioned Interest	545,000.00	595,500.13	546,192.62
Water Operating	15,000.00	18,750.04	16,851.77
State-County Fair	- -	768.76 (1)	1,353.68
Totals	\$560,000.00	\$615,018.93	\$564,398.07

In accordance with instructions of September 18, 1953, from A. E. Snider, Chief-Division of Fairs and Expositions of the State of California based on Government Code Section 16505, the Treasurer transferred the balance in Bank of America's State of California State Fair inactive account (Deposit Agreement No. 312) to the active account (Deposit Agreement No. 313).

COMMISSIONS ON INHERITANCE TAX COLLECTIONS - \$31,211.21

Inheritance tax commissions of \$31,211.21, for 12 months Ended May 31, 1954, and settlements with the State for the same period, are summarized from the Treasurer's records as follows:

Total Collections		\$3,633,276.51
Less Disbursements:		
Payments to the State	\$3,471,891.49	
Refunds	113,952.59	
Appraiser's Fees	<u>16,221.22</u>	
		<u>3,602,065.30</u>
Commissions Earned by the Treasurer		<u>\$ 31,211.21</u>

Accounts, maintained by the Treasurer for Inheritance Tax purposes, are recorded on State Controller's prenumbered forms, subject to settlement every two months, and to audit by representatives of the State Controller's Office. Such audit was not duplicated in this assignment.

The collections of \$3,633,276.51 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, refunds, appraiser's fees, and commissions earned were reconciled with expenditures reflected in related Controller's appropriation accounts.

Commission earned by the Treasurer in the total amount of \$31,211.21, for 1953-1954, was confirmed direct to this office by the State Controller. The amount is within the \$40,000.00 maximum commissions that may be retained by a Treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

DUPLICATE INHERITANCE TAX RECEIPT FEES AND
SAFE DEPOSIT BOX EXAMINATION FEES - \$86.00

A fifty cent fee for a "Duplicate Tax Receipt", and a one dollar fee for "Listing Contents of Safe Deposit Box" is charged by the Treasurer in accordance with Section 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

CONSCIENCE MONEY - \$130.00

The \$130.00 represents remittances received by the offices named, from unidentified sources and deposited with the Treasurer as conscience money,

Controller's Office	\$110.00
Treasurer's Office	<u>20.00</u>
	<u>\$130.00</u>

EXPENDITURES AND ENCUMBRANCES - \$112,389.19

Expenditures (\$110,820.90) and Encumbrances (\$1,568.29) from appropriations to the Treasurer's Office for 1953-1954, totaling \$112,389.19, compared with budget appropriations (as modified) \$113,443.00, were summarized from the Controller's records as follows:

EXPENDITURES AND ENCUMBRANCES - \$112,389.19 (Continued)

<u>By Treasurer</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$ 96,685.00	\$ 96,285.00
Overtime	775.00	467.11
Contractual Services	1,894.00	1,802.47
Use of Employees' Cars	266.00	264.95
Materials & Supplies	1,843.00	1,667.21
Fixed Charges	5.00	-
Fiscal Agent	11,750.00	11,750.00
 <u>By Purchaser</u>		
Telephone & Telegraph	225.00	152.45
 Total	<u>\$113,443.00</u>	<u>\$112,389.19</u>

Expenditures and Encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated in this assignment. Exhibit "B" reflects a comparison of revenues and appropriation expenditures and encumbrances for 1953-1954 and four prior fiscal years.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E" attached hereto.

COMMENT:

The records maintained in the Treasurer's Office appear to be in order and systematically arranged to furnish all data needed for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the course of this examination is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

Martin W. Judnich

Martin W. Judnich
B-14 Senior Accountant (Field Audits)

Note:

Exhibits A-1, A-2, A-3, D and E reflect detail of transactions presented in summary forms in the body of the above report. They have not been reproduced in this publication.

SUMMARY OF CASH, SECURITIES AND OTHER DEPOSITS

	<u>JUNE 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>CASH AND CASH ITEMS</u>		
<u>Cash and Cash Items on Hand:</u>		
Coin and Currency	\$ 808,681.83	\$ 666,321.75
Checks on Hand for Deposit	377,478.77	669,166.95
Due from Clearing House	37.00	31.50
Special Deposit - Health Service System	824.51	143.54
Total Cash Items	<u>1,187,022.11</u>	<u>1,335,663.74</u>
<u>Cash on Deposit in Banks:</u>		
Active Accounts	30,355,764.88	37,714,501.97
Inactive Accounts	<u>52,575,000.00</u>	<u>52,880,000.00</u>
Total Banks	<u>82,930,764.88</u>	<u>90,594,501.97</u>
<u>Cash Received after June 30th and Applied to</u>		
<u>Fiscal Year Under Review</u>	<u>659,524.77</u>	<u>800,528.48</u>
<u>United States Bonds (Face Value)</u>	<u>69,300.00</u>	<u>108,900.00</u>
Total Cash and Cash Items (Exhibits "C" & "D-2")	<u>\$84,846,611.76</u>	<u>\$92,839,594.19</u>
<u>SECURITIES</u>		
<u>Bonds (Par Value):</u>		
Collateral from Banks (Exhibit "A-1")	\$107,398,000.00	\$113,563,000.00
Employees' Retirement Fund	142,443,987.50	125,953,975.00
Bequest Funds and Miscellaneous Deposits	348,950.00	347,450.00
Trust Funds	14,000.00	15,000.00
Deposits on Leases	<u>106,500.00</u>	<u>112,750.00</u>
Total Securities	<u>\$250,281,437.50</u>	<u>\$239,992,175.00</u>
<u>Corporate Stock (Other Deposits):</u>		
Deposit on Leases	5,000.00	- -
Bequest Funds	<u>39.00</u>	<u>39.00</u>
TOTAL SECURITIES	<u>\$250,286,476.50</u>	<u>\$239,992,214.00</u>
TOTAL TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES AND OTHER DEPOSITS	<u>\$335,133,088.26</u>	<u>\$332,831,808.19</u>

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES AND ENCUMBRANCES

REVENUES DERIVED THROUGH THE OPERATION
OF THE TREASURER'S OFFICE

	FISCAL YEAR ENDED JUNE 30th			
	1954	1953	1952	1951
Interest Earned on the Deposit of Public Funds	\$615,018.93	\$564,398.07	\$561,932.81	\$522,315.22
Commission on Inheritance Tax Collections	31,211.21	31,733.98	39,202.02	28,832.49
Duplicate "Inheritance Tax Receipt"	86.00	111.00	89.50	85.00
Fees	130.00	237.11	534.00	45.00
Conscience Money				54.00
Total Revenue	\$646,446.14	\$596,480.16	\$601,758.33	\$551,277.71
				\$473,355.53

EXPENDITURES AND ENCUMBRANCES

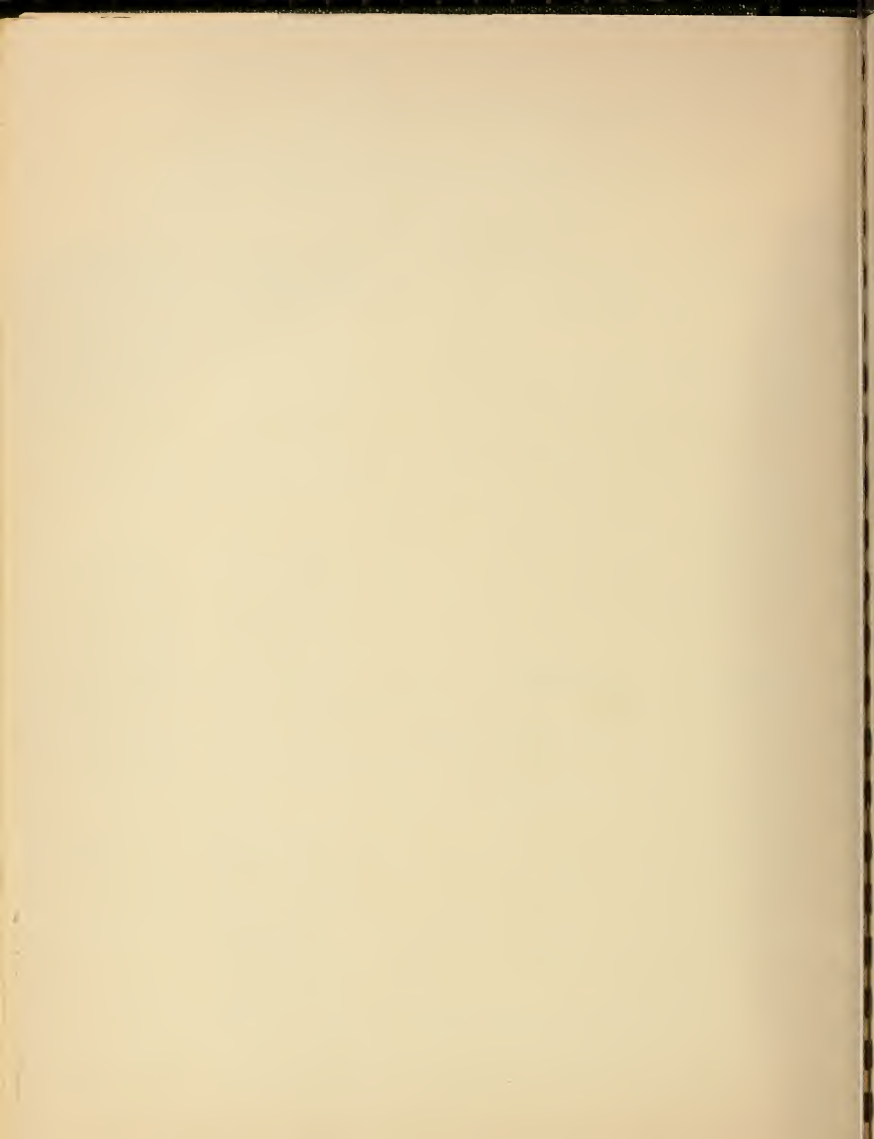
Permanent Salaries	\$ 96,285.00	\$ 95,683.52	\$ 89,986.30	\$ 79,974.32
Leaves and Replacements	467.11	755.54	776.54	772.71
Allowance for Overtime	2,319.87	2,129.07	1,962.29	1,797.73
Contractual Services	11,750.00	13,323.00	14,700.00	2,108.90
Fiscal Agent - New York	1,687.21	1,881.12	1,985.15	14,700.00
Materials and Supplies	-	463.91	1,324.91	1,744.46
Equipment				618.17
Total Disbursements	\$112,389.19	\$114,280.00	\$110,735.19	\$100,398.29
				\$ 92,051.59
REVENUES IN EXCESS OF EXPENDITURES AND ENCUMBRANCES	\$534,056.95	\$482,200.16	\$491,023.14	\$450,879.42
				\$381,303.94

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1954</u>	<u>1953</u>
<u>TOTAL FUNDS</u>		
Cash Balance - Beginning of Year	\$ 92,839,594.19	\$ 99,895,826.17
Cash Receipts	228,599,843.31	220,682,991.10
Journal Transfers (Contra)	226,817,198.48	229,816,559.44
Total Receipts	455,417,041.79	450,499,550.54
Total	\$548,256,635.98	\$550,395,376.71
<u>DISBURSEMENTS</u>		
Cash Disbursements	236,592,825.74	227,739,223.08
Journal Transfers (Contra)	226,817,198.48	229,816,559.44
Total Disbursements	463,410,024.22	457,555,782.52
CASH BALANCE - END OF YEAR (Exhibits A and C)	\$ 84,846,611.76	\$ 92,839,594.19

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	Fiscal Year Ended June 30th	
	1954	1953
<u>CURRENT FUNDS:</u>		
Cash Balance - Beginning of Year	\$ 44,846,415.80	\$ 46,653,604.33
Cash Receipts	177,409,352.11	169,001,351.95
Journal Transfers - Receipts	205,365,210.07	195,647,361.73
Total Receipts	427,620,977.98	411,302,321.01
Cash Disbursements	165,574,406.55	157,426,794.93
Journal Transfers - Disbursements	216,419,252.63	209,029,110.28
Total Disbursements	381,993,659.18	366,455,905.21
CASH BALANCE - END OF YEAR (EXHIBIT "D")	\$ 45,627,318.80	\$ 44,846,415.80
<u>CAPITAL FUNDS:</u>		
Cash Balance - Beginning of Year	41,218,960.03	45,256,868.13
Cash Receipts	15,216,005.10	18,482,294.69
Journal Transfers - Receipts	4,766,206.06	18,756,414.07
Total Receipts	61,201,171.19	82,495,576.89
Cash Disbursements	20,318,991.26	21,419,483.28
Journal Transfers - Disbursements	8,629,909.47	19,857,133.58
Total Disbursements	28,948,900.73	41,276,616.86
CASH BALANCE - END OF YEAR (EXHIBIT "D"-1)	\$ 32,252,270.46	\$ 41,218,960.03
<u>SPECIAL AND TRUST FUNDS:</u>		
Cash Balance - Beginning of Year	6,774,218.36	7,985,353.71
Cash Receipts	35,974,486.10	33,199,341.46
Journal Transfers - Receipts	16,685,782.35	15,412,783.64
Total Receipts	59,434,486.81	56,597,478.81
Cash Disbursements	50,699,427.93	48,892,944.87
Journal Transfers - Disbursements	1,768,036.38	930,315.58
Total Disbursements	52,467,464.31	49,823,260.45
CASH BALANCE - END OF YEAR (EXHIBIT "D"-2)	\$ 6,967,022.50	\$ 6,774,218.36
TOTAL CASH ON HAND (EXHIBITS "A" AND "C")	\$ 84,846,611.76	\$ 92,839,594.19



Airport Department

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS

For the Fiscal Year Ended June 30, 1954

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

November 26, 1954

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1954

Dear Sir:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1954
- Exhibit B - Statement of Surplus for the year ended June 30, 1954
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1954 and June 30, 1953
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1954 and June 30, 1953.

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1954, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper
Supervisor, Utility Audits

Approved.



HARRY D. ROSS
CONTROLLER

BALANCE SHEET

Fixed Capital in Service (net) - \$30,362,029.22

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	<u>In Service</u>	<u>Accrued Depreciation</u>	<u>Net Book Value</u>
Balance, June 30, 1953	\$42,459,712.56	\$6,410,298.91	\$36,049,413.65
Additions	<u>10,557.12</u>	<u>718,388.20 (1)</u>	<u>- 707,831.08</u>
Total	\$42,470,269.68	\$7,128,687.11	\$35,341,582.57
Retirements	- 287.80	- 247.03	- 40.77
Property Valuation Adjustments, June 30, 1953	<u>-5,860,934.47</u>	<u>- 881,421.89</u>	<u>-4,979,512.58</u>
Balance, June 30, 1954	<u>\$36,609,047.41</u>	<u>\$6,247,018.19</u>	<u>\$30,362,029.22</u>

(1) Provision for the year charged to operating expenses.

Additions - \$10,557.12

Additions to fixed capital in service were financed through the special aviation and operating funds; they consisted solely of equipment.

The Airport Department did not set up the 1953-1954 additions and betterments financed by the 1945 and 1949 Airport bond funds and the Federal airport project fund. It is anticipated that these additions and betterments will be classed as fixed capital in service sometime prior to December 31, 1954.

Retirements - \$287.80

The only retirements during the year were some small items of equipment.

Property Valuation Adjustments (net) - \$4,979,512.58

These adjustments reflect the net effects of the Report on Examination of Property Valuation, June 30, 1953, as prepared by Mr. Robert M. Gane, Certified Public Accountant, under the provisions of Section 128 of the Charter of the City and County of San Francisco.

	<u>In Service</u>	<u>Accrued Depreciation</u>	<u>Net Book Value</u>
To reverse capitalization of improvements made by:			
United Air Lines	\$5,798,963.99	\$858,530.83	\$4,940,433.16
Pan American Airways	51,217.00	13,203.86	38,013.14
Southwest Airways	9,714.78	9,714.75	.03
To eliminate capitalization of interest in land costs	1,038.70		1,038.70
Adjustment of accumulated depreciation levees, seawalls and breakwaters		- 27.55	27.55
Total	<u>\$5,860,934.47</u>	<u>\$881,421.89</u>	<u>\$4,979,512.58</u>

Fixed Capital under Construction - \$11,718,491.73

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1953		\$ 5,373,683.40
Additions:		
1945 Airport bond fund	\$ 696,585.63	
1949 Airport bond fund	1,147,823.75	
Federal airport project	<u>4,500,398.95</u>	<u>6,344,808.33</u>
Balance, June 30, 1954		<u>\$11,718,491.73</u>

All of the transactions in this account were financed by the 1945 and 1949 Airport bond funds and the Federal airport project except that charges for interest during construction, which are in relation to the 1945 and 1949 Airport bond funds, are allocations of the interest budgeted in the Airport Operating fund.

The significant construction features in progress were the

- Terminal building
- Concourses for the terminal building
- Utility extensions in the terminal building area
- Air mail and air cargo building
- Service building
- Trestles for approach lighting system
- Reconstruction of apron at hangars 1, 2, 3 and 4.

The construction features completed during 1953-1954 were not transferred to fixed capital in service. It is anticipated that this will be done during the first half of 1954-1955.

Cash on Deposit with Treasurer - \$4,262,671.36

Cash on deposit with the Treasurer was confirmed by reference to the report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1954, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund	\$ 759,161.06
Federal airport project fund	1,246,804.08
Special aviation fund	17,120.62
1945 Airport bond fund	915,780.34
1949 Airport bond fund	1,322,511.51
1945 Airport bond interest fund	
1-1/4% Series C	943.75
1-1/2% Series C	75.00
1949 Airport bond interest fund	
1-3/4% Series B	87.50
1-1/2% Series D	187.50
Total	<u>\$4,262,671.36</u>

Cash Revolving Fund - \$2,500.00

On March 24, 1954, we reported the verification of the principal of the fund as at March 10, 1954.

Accounts Receivable, Federal Grants - \$119,733.10

The Mayor and Public Utilities Commission have accepted offers by the Federal Government acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco International Airport in the amount of \$1,932,478.00 of which \$1,812,744.90 had been received at June 30, 1954.

Accounts Receivable, Revenues Accrued and Other Receivables (net) - \$398,468.55

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$245,615.75 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

San Mateo County \$ 1,802.90

Portion of unrefunded aircraft
fuel taxes paid to San Mateo
County by State of California

Trans World Airlines 107,930.52

U.S. District Court Judgment, Civil
#30326, July 2, 1954:

Take-off charges - difference
between receivables calculated
on rates effective Jan. 1, 1951,
vs. prior rates, for the period
Jan. 1, 1951, through Feb. 28, 1954 \$ 86,342.64

Professional fire protective service 1951-54 9,600.00

Total Judgment \$95,942.64

Take-off charges - difference between
receivables calculated on rates effective
Jan. 1, 1951, vs. prior rates, for the
period since the court judgment - March 1
through June 30, 1954

\$11,987.88

United Air Lines

\$ 15,912.13

Rental of ticket counter space

6,312.13

Professional fire protection service

9,600.00

Western Air Lines

110,370.20

Take-off charges - difference between
rates effective Jan. 1, 1951, vs.
prior rates

96,121.65

Public address system charges and
underpayments for flight operations
Sept. 1, 1946 - April 30, 1949

4,648.55

Professional fire protective service

9,600.00

Subject to litigation - San Francisco
Superior Court Action No. 414510.

Pan American Airways, Inc.

9,600.00

Professional fire protective service

Total

\$245,615.75

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1953

\$ 22,380.87

Provision for doubtful accounts

4,800.00

Total

\$ 27,180.87

Less accounts charged off as uncollectible

2.00

Balance. June 30, 1954

\$ 27,178.87

Interfund Accounts - \$9,465.43

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies - \$8,193.95

Physical inventory of materials and supplies was taken by Airport employees as at May 31, 1954. We tested the quantities, the mathematical accuracy and the pricing of the inventory.

Commitments - \$818,747.46

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1954. The contra liability is shown under accounts payable and interfund accounts - commitments.

Other Deferred Items - \$20,468.07

Other deferred items represents primarily prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1954.

Bonded Debt - \$15,384,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

Issue	Authorized	Authorized and Sold	Redeemed		Total Bonded Debt
			Prior Years	1953-54	
1933	\$ 260,000	\$ 260,000	\$ 260,000	\$	\$
1938	2,850,000	2,850,000	2,850,000		
1945	20,000,000	20,000,000	11,451,000	1,208,000	7,341,000
1949	10,000,000	10,000,000	1,261,000	696,000	8,043,000
Total	<u>\$33,110,000</u>	<u>\$33,110,000</u>	<u>\$15,822,000</u>	<u>\$1,904,000</u>	<u>\$15,384,000</u>

The outstanding bonds mature serially as follows:

Fiscal Year	Issue		Total
	1945	1949	
1954-55	\$1,875,000	\$ 254,000	\$ 2,129,000
1955-56	1,875,000	254,000	2,129,000
1956-57	2,125,000	254,000	2,379,000
1957-58	174,000	1,534,000	1,708,000
1958-59	174,000	1,534,000	1,708,000
1959-60	174,000	1,534,000	1,708,000
1960-61	174,000	634,000	808,000
1961-62	174,000	409,000	583,000
1962-63	173,000	409,000	582,000
1963-64	173,000	409,000	582,000
1964-65	173,000	409,000	582,000
1965-66	77,000	409,000	486,000
Total	<u>\$7,341,000</u>	<u>\$8,043,000</u>	<u>\$15,384,000</u>

Bond Interest - \$42,799.80

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable - \$1,999,758.57

Accounts payable have been verified for prior encumbrances in accordance with the provisions of Charter Section 86.

Interfund Accounts - \$1,032,961.91

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits - \$273,228.21

Deferred credits represent primarily disputed accounts in amount of \$245,615.75, which is discussed under Accounts Receivable, Revenues Accrued and Other Receivables.

The balance of the deferred credits consist mainly of rentals and services paid or billed in advance, unbilled interdepartmental work orders (estimated expense booked in 1953-54), requests for direct payment by the Controller and cash collections in connection with telegraph, coin lock and petroleum agency trusts from the last settlement date in June 1954 to June 30, 1954.

Surplus - \$28,988,020.38

The summary of the changes in this account for the fiscal year 1953-1954 shown in Exhibit B, is in such detail as to require no further comments.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report.

<u>Date of Accident</u>	<u>Claimant</u>		<u>Amount Claimed</u>	<u>Date Filed with Controller</u>	<u>Type of Claim</u>
6-11-52	Pan American Airways	(1)	\$ 528.64	7-21-52	Property Damage
12-19-52	Vernic Erickson	(2)	25,000.00	2-11-53	Personal Injury
6- 1-53	Robert A. Lenihan	(2)	10,000.00	7- 1-53	Personal Injury
1-17-54	Mygrant Glass Co.	(2)	3,316.55	2- 9-54	Property Damage
10- 8-53	American Airlines	(3)	197.62	12- 7-53	Property Damage
5-20-54	P. Dardani & P. Manis	(4)	375.14	6-28-54	Property Damage

- (1) Pending, in hands of insurance carrier.
- (2) Have filed suit. Case still open.
- (3) Insurance carrier paid \$197.62 in settlement.
- (4) Denied per City Attorney's records, no claim developed per insurance carrier.

Insurance carrier was notified of the above cited claims.

In addition to the above mentioned claims, the insurance carrier had on hand a claim for \$629.77 from California Central Airlines, covering property damage which occurred September 9, 1953. No claim relative to this incident was filed in the Controller's office.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than as indicated above.

Following is disposition of claims which were included as unsettled in our report of the year ended June 30, 1953.

<u>Date of Accident</u>	<u>Claimant</u>	<u>Amount Claimed</u>	<u>Disposition</u>
1-11-51	John S. Broome	\$ 305.38	Per Airport's insurance carrier - "Denied"
8-15-52	Dorothy T. Nielsen	3.35	- "No claim developed"
12- 1-52	Earl Marson	973.61	Settled for \$400. - \$200. paid by insurance carrier and \$200. by Airport - Public Utilities Commission Resolution No. 14013
10-6 to 12-28-52	Southwest Airways	138.29	Per Airport's insurance carrier - "Closed - No Payment"
5-29-53	Don Lochner	15.00	- "No Claim developed"

OPERATIONS

A condensed statement of net income for the year ended June 30, 1954, is set forth below:

Operating revenues:		
Air carrier flight operations		\$ 422,577.78
Rentals		212,851.71
Bulk petroleum deliveries		50,772.05
Services, sales, commissions, permits		478,177.06
Total		<u>\$1,164,378.60</u>
Operating expenses:		
Salaries and wages		\$ 410,327.38
Other operating costs		174,479.55
Maintenance and repairs		35,775.68
Fixed charges, including depreciation		800,925.39
Total		<u>\$1,421,508.00</u>
Operating loss		\$ 257,129.40
Bond interest	\$ 99,108.12	
Other income and deductions therefrom	<u>125,548.20</u>	<u>224,656.32</u>
Net loss		<u><u>\$ 481,785.72</u></u>

The increase in operating revenues stems primarily from the increase in aviation activities. As a result of the increased traffic through the Airport, non-aviation activities and services were generated and/or stimulated.

As indicated below, the decrease in operating expenses represents the excess of decreases in maintenance and repairs and fixed charges over increases in salaries and wages and other costs of operation.

EXHIBIT A
AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1954

A S S E T S

Fixed Capital:

In service
Less reserve for depreciation
Net book value
Under construction

48,327,539
11,718,492
\$36,609,047.41
6,247,018.19
\$30,362,029.22
11,718,491.73

\$42,080,520.95

Cash:

On deposit with City and County Treasurer
Revolving Fund

\$ 4,262,671.36
2,500.00

4,265,171.36

Accounts Receivable:

Federal grants
Revenues accrued and other receivables (net)

\$ 119,733.10
398,468.55

518,201.65

Interfund Accounts:

Due from general city and county
Due from other public service enterprises

\$ 9,208.60
256.83

9,465.43

Deferred Charges:

Materials and supplies
Commitments (contra)
Other deferred items

\$ 8,193.95
818,747.46
20,468.07

847,409.48

Total Assets

\$47,720,768.87

L I A B I L I T I E S A N D S U R P L U S

Bonded Debt:

Maturing within year ending June 30, 1955
Maturing Sept. 1, 1955 through April 1, 1966

\$ 2,129,000.00
13,255,000.00

\$15,384,000.00

Bonded Interest:

Matured coupons not presented for payment
Accrued, not due

\$ 1,293.75
44,506.05

42,799.80

Accounts Payable:

Outstanding warrants
General creditors
Commitments (contra)

\$ 1,022,999.31
258,564.52
718,194.74

1,999,758.57

Interfund Accounts:

Due to general city and county
Due to other public service enterprises
Commitments (contra)

\$ 909,409.71
22,999.48
100,552.72

1,032,961.91

Deferred Credits

Total Liabilities

273,228.21
\$18,732,748.49

Surplus - Exhibit B

28,988,020.38

Total Liabilities and Surplus

\$47,720,768.87

EXHIBIT B
AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY
SURPLUS
YEAR ENDED JUNE 30, 1954

Surplus, June 30, 1953, annual report of Controller		\$32,964,383.66
Add:		
Contributions:		
Ad valorem tax for operating services	\$1,465,458.93	
State of California, Special aviation fund	<u>12,456.09</u>	1,477,915.02
Deposits on Specifications - forfeits		20.00
Prior year adjustments:		
United Air Lines' Contribution	\$ 7,000.00	
Reserve for depreciation per property valuation as of June 30, 1953	<u>881,421.89</u>	<u>888,421.89</u>
Total		\$35,330,740.57
Deduct:		
Net Loss, fiscal year 1953-54	\$ 481,785.72	
Excess of adjusted book value of Fixed Capital In Service over property valuation as of June 30, 1953	<u>5,860,934.47</u>	<u>6,342,720.19</u>
Surplus, June 30, 1954		<u><u>\$28,988,020.38</u></u>

EXHIBIT C - Page 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING REVENUES:	June 30, 1954	June 30, 1953
Air Carrier Flight Operations:		
Scheduled	\$ 398,799.54	\$316,802.51
Scheduled feeder lines	18,203.23	18,771.22
Non-scheduled	5,575.01	4,435.09
Total Air Carrier Flight Operations	<u>\$ 422,577.78</u>	<u>\$340,008.82</u>
Rentals:		
Ramp area	\$ 7,155.81	\$ 10,517.29
Aircraft outdoor storage	11,643.00	8,983.30
Airport property		
Unimproved	29,511.63	17,735.24
Paved	45,639.22	38,946.79
Expansion area	8,182.82	2,671.67
Hangars		
Entire hangars	59,499.96	58,278.15
Partial hangars	9,370.10	3,145.07
Passenger terminal building-office space	25,349.12	24,579.11
Other buildings and structures	16,500.05	16,500.04
Total Rentals	<u>\$ 212,851.71</u>	<u>\$181,356.26</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 20,400.00	\$ 21,200.00
Rental of tank farm area	4,728.63	4,445.13
Wharfage charges	24,653.42	24,052.33
Pipe line licenses	990.00	990.00
Total Bulk Petroleum Deliveries	<u>\$ 50,772.05</u>	<u>\$ 50,657.46</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 11,631.82	\$ 11,563.28
Restaurant, cafe and newsstand	93,038.52	85,301.42
Taxi-cab and limousine permits	64,814.73	65,146.58
Parking lot	129,909.55	98,971.59
U-Drive	62,026.77	49,245.59
Telephone commissions	9,599.26	9,024.03
Telegraph commissions	19,528.44	21,740.50
Sale of petroleum products	58,150.01	53,947.45
Shoe shine stand	1,267.53	1,136.10
Vending and weighing machines	458.85	453.04
Insurance vending machines	13,793.66	9,732.49
Travel agency, air service and sales	921.14	963.70
Baggage locker commissions	4,164.60	3,228.83
Rest Rooms	7,899.40	8,013.93
Automobile service station	972.78	-0-
Total Services, Sales, Commissions and Permits	<u>\$ 478,177.06</u>	<u>\$418,468.53</u>
TOTAL OPERATING REVENUES	<u><u>\$1,164,378.60</u></u>	<u><u>\$990,491.77</u></u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING EXPENSES:	June 30, 1954	June 30, 1953
Salaries and Wages:		
General & Administrative	\$ 41,642.86	\$ 38,595.91
Maintenance & Operations	<u>368,684.52</u>	<u>327,013.22</u>
Total Salaries and Wages	<u>\$ 410,327.38</u>	<u>\$ 365,609.13</u>
Other Costs of Operation:		
Travel expenses and local fares	\$ 13,479.80	\$ 11,606.28
Freight, express and drayage	444.90	34.64
Use of employees' cars - mileage only	13.09	9.52
Storage and care of vehicles	-0-	.75
Maintenance and care of office equipment	569.51	433.23
Maintenance and care of other equipment	194.10	78.04
Gas and electricity	18,001.30	16,106.48
Telephone and telegraph	\$ 9,205.68	
Less: Extension service charged to tenants	<u>3,773.10</u>	
Postage	5,432.58	5,367.55
Printing, advertising, etc.	664.40	498.94
Newspapers and periodicals	6,101.89	483.70
Janitorial and window washing services:	400.94	647.00
Contractual	1,135.00	1,195.20
Refuse disposal	1,047.02	1,027.77
Professional and special services	29,349.19	14,359.97
Miscellaneous and contractual services	1,011.33	834.40
Operating material and supplies	14,280.95	14,555.02
P.U.C. - General Office Expense	12,398.17	9,470.24
Fire-fighting expense	<u>70,355.38</u>	<u>66,962.95</u>
Total Other Costs of Operation	<u>\$ 174,479.55</u>	<u>\$ 143,671.68</u>
Other Costs of Maintenance and Repair:		
Landing area	\$ 1,545.79	\$ 753.33
Runways	8,316.07	6,021.30
Field lighting equipment	1,120.07	1,483.37
Radio equipment	733.72	964.80
Hangars	1,253.52	297.65
Administration building	902.33	2,526.27
Other buildings	2,319.11	1,605.51
Automotive equipment	6,198.59	12,027.39
Other equipment facilities, furniture and fixtures	4,041.67	4,401.22
Parking areas, roads, walks, fences, etc.	8,491.19	16,899.68
Power distribution system	<u>853.62</u>	<u>1,577.85</u>
Total Other Costs Maintenance & Repair	<u>\$ 35,775.68</u>	<u>\$ 48,558.37</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1954 and JUNE 30, 1953

OPERATING EXPENSES - Cont'd.

	<u>June 30, 1954</u>	<u>June 30, 1953</u>
Fixed Charges:		
Accident compensation - employees	\$ 2,663.20	\$ 2,558.51
Automobile insurance	1,921.46	1,715.15
Other insurance	16,456.14	15,345.49
Pension and retirement allowance	47,732.73	43,762.47
Taxes paid	\$ 9,808.98	
Less charged to tenants	<u>2,080.32</u>	
Depreciation	7,728.66	7,529.75
Doubtful accounts	718,388.20	811,347.59
Injuries and damages	4,800.00	4,800.00
Membership dues	200.00	45.00
	<u>1,035.00</u>	<u>1,035.00</u>
Total Fixed Charges	\$ 800,925.39	\$ 888,138.86
TOTAL OPERATING EXPENSES	<u>\$1,421,508.00</u>	<u>\$1,445,978.14</u>
OPERATING LOSS	<u>\$ 257,129.40</u>	<u>\$ 455,486.37</u>
OTHER INCOME:		
Resale of electric energy	\$ 230,245.62	\$ 182,898.53
Less cost thereof	<u>174,639.63</u>	<u>156,291.08</u>
Total	\$ 55,605.99	\$ 26,607.45
Resale of water	\$ 14,450.57	\$ -0-
Less cost thereof	<u>13,322.52</u>	<u>-0-</u>
Total	\$ 1,128.05	\$ -0-
Miscellaneous	\$ 2,857.70	\$ 2,832.63
Total Other Income	\$ 59,591.74	\$ 29,440.08
Sub-total	<u>\$ 197,537.66</u>	<u>\$ 426,046.29</u>
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 99,108.12	\$ 116,542.44
Miscellaneous additions and deductions from income - net deduction	<u>185,139.94</u>	<u>-20,253.67</u>
Total Other Expense	\$ 284,248.06	\$ 96,288.77
NET LOSS	<u>\$ 481,785.72</u>	<u>\$ 522,335.06</u>

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT, SAN MATEO COUNTY

STATISTICS

YEARS ENDED JUNE 30, 1954 AND JUNE 30, 1953

Comparative report of aircraft movements and traffic, including domestic and international activities.

	June 30, 1954	June 30, 1953	Increase Decrease (-)	%
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	121,927	113,360	8,567	7.6
Itinerant	29,898	25,820	4,078	15.8
Local	31,784	28,314	3,470	12.3
Totals	183,609	167,494	16,115	9.6

Number of passengers, as reported
by air carriers:

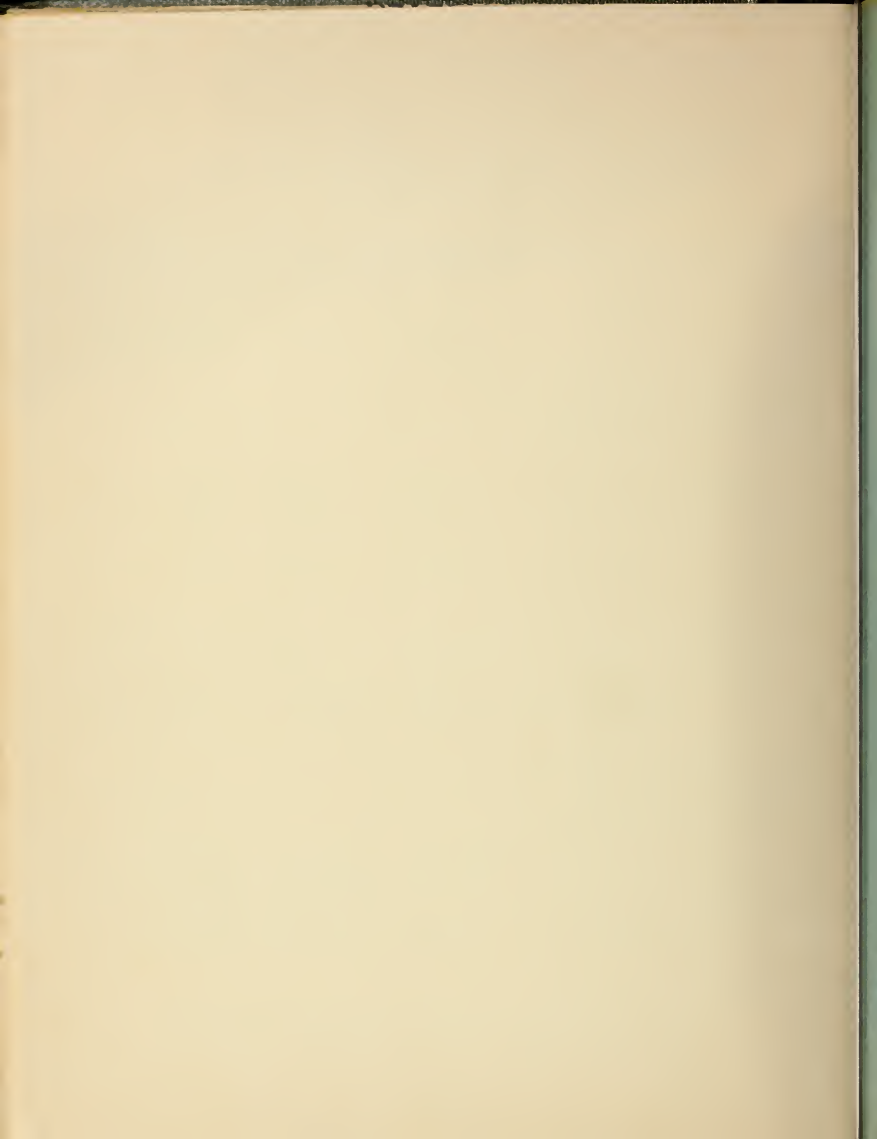
On and off	2,000,824	1,876,858	123,966	6.6
Through (no stopovers)	477,542	510,479	(-) 32,937	(-) 6.5
Totals in and out (1)	2,478,366	2,387,337	91,029	3.8

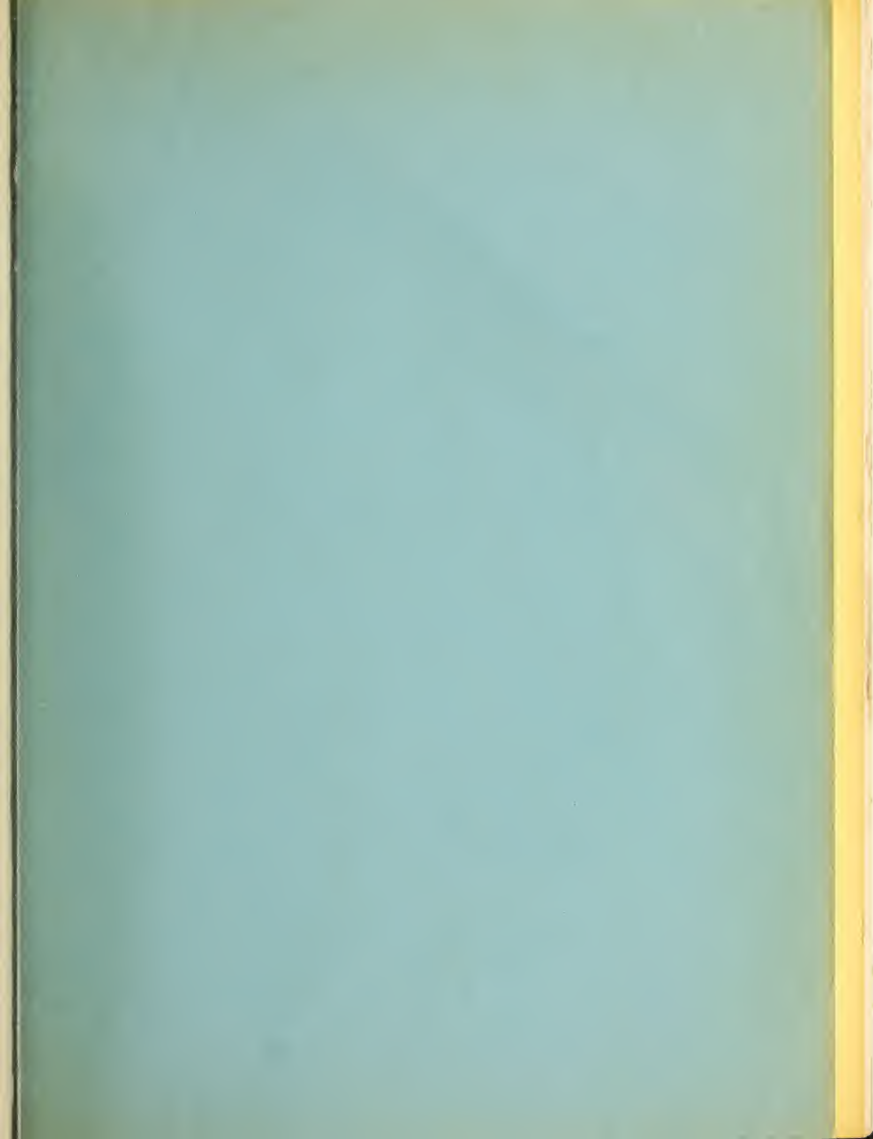
Air mail, express and freight,
in pounds on and off, as re-
ported by Post Office Dept.,
Railway Express Agency and
various air lines: (1)

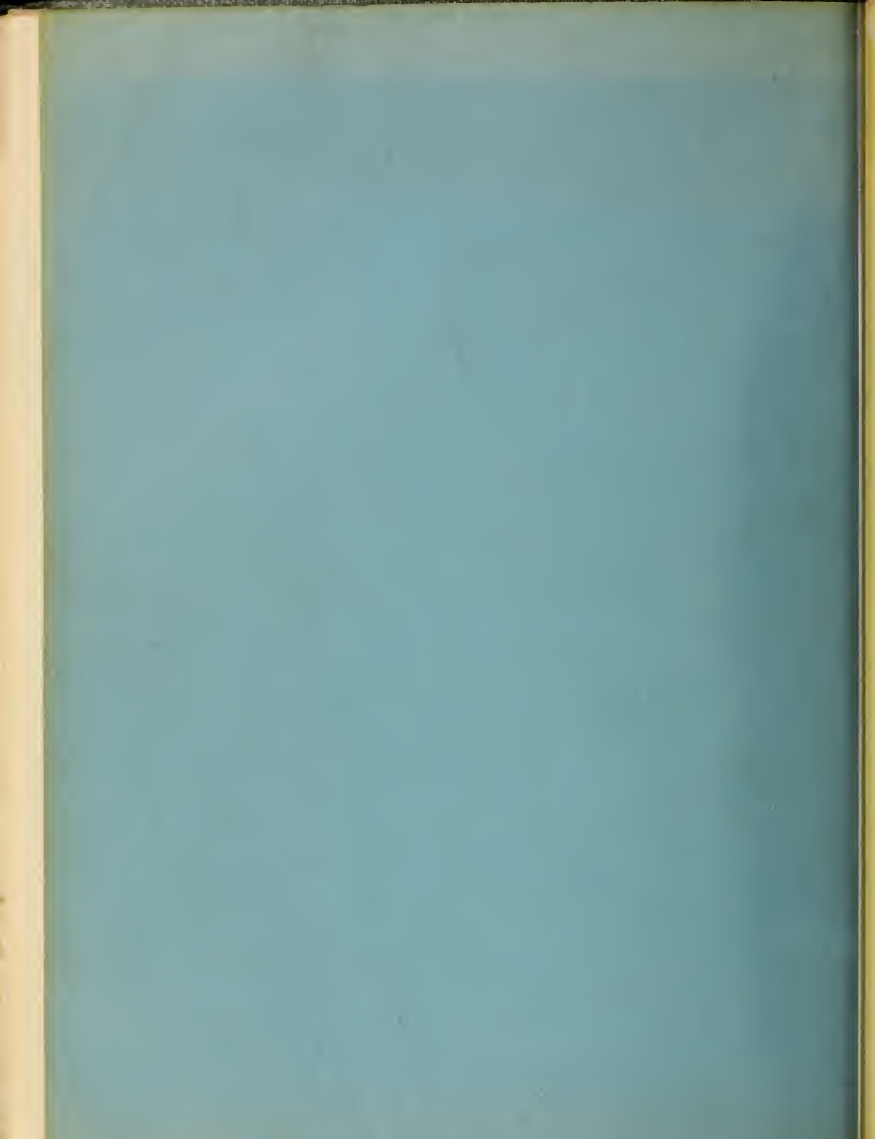
Air mail	29,524,596	29,004,176	520,420	1.8
Express	6,239,896	6,154,617	85,279	1.4
Freight	40,454,573	38,675,444	1,779,159	4.6
Totals	76,219,065	73,834,207	2,384,858	3.2

Note:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.







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Annual Report
of the
Controller

of the
City and County of San Francisco
For the Fiscal Year Ended June 30, 1955



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Annual Report

of the

Controller

of the

City and County of San Francisco

For the Fiscal Year Ended June 30, 1955



PROPERTY
OF THE
DEPARTMENT OF CITY PLANNING
AND COUNTY OF SAN FRANCISCO

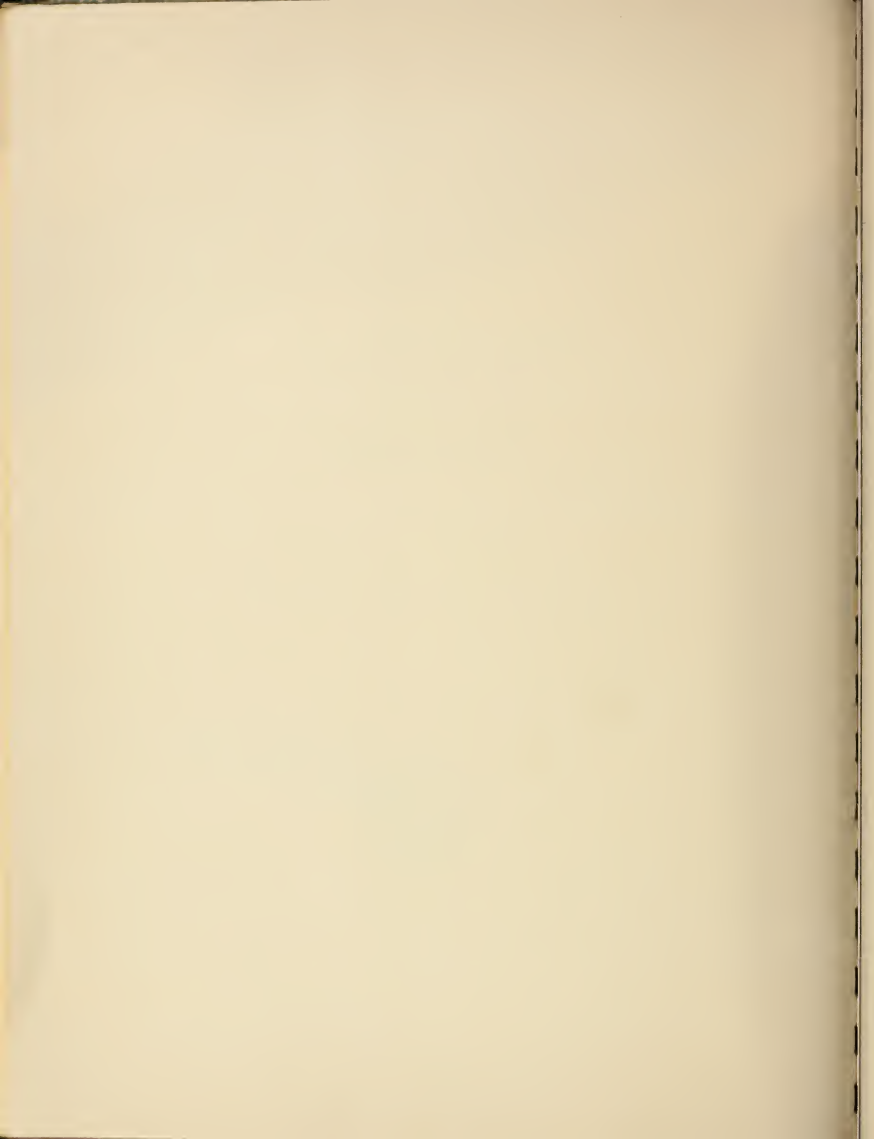


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By Lindquist, Von Husen & Joyce

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REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
JUNE 30, 1955

By Arthur Young & Company

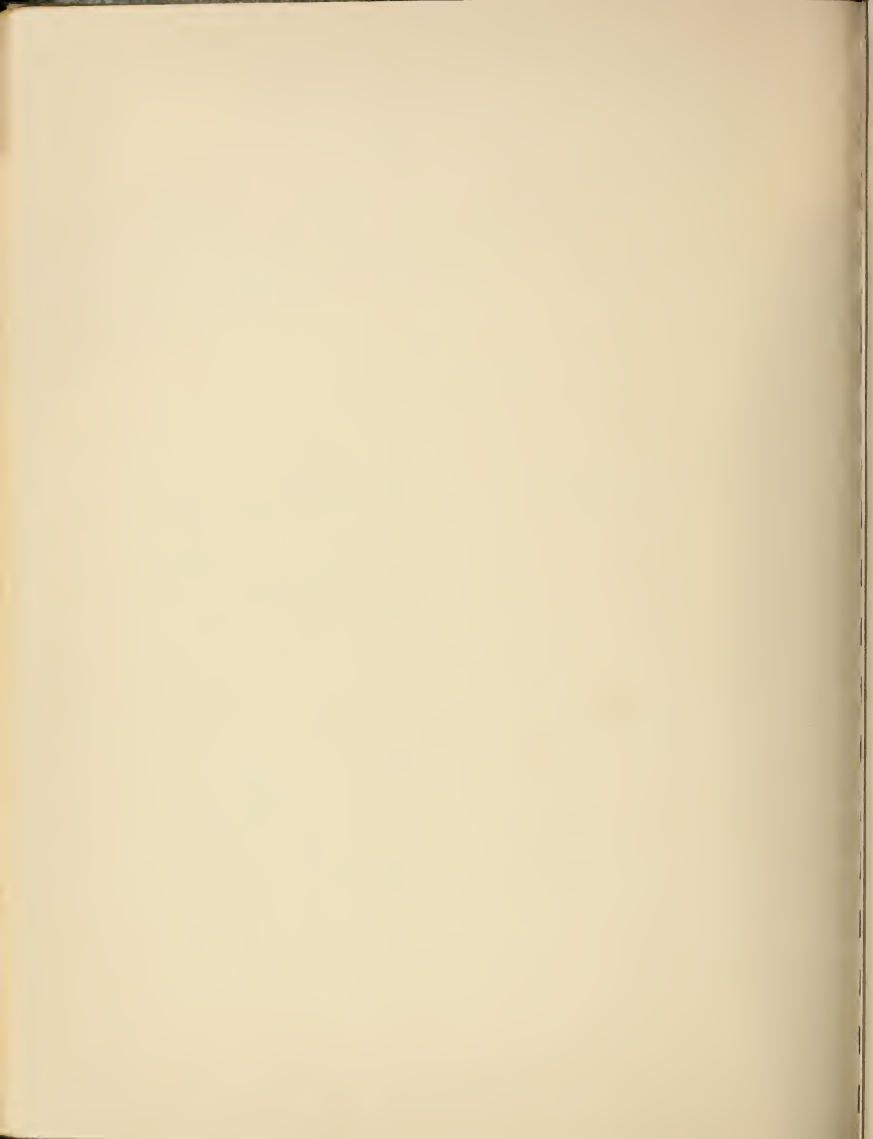
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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF
CONTROLLER

September 30, 1955.

To His Honor, the Mayor,
and the Honorable Board of Supervisors,
City and County of San Francisco

Gentlemen:

The annual report of the Controller for the fiscal year ended June 30, 1955, is submitted herewith, as provided by section 65 of the Charter.

The accounts of the Controller were audited by Lindquist, Von Husen & Joyce, by direction of the Board of Supervisors, in accordance with provisions of section 68 of the Charter.

By direction of the Controller, the following audits reported herein were performed by the accounting firms indicated:

San Francisco Water Department, Hetch Hetchy Water Supply and Power Project, by Skinner & Hammond.

Municipal Railway, by Barlow, Davis & Wood.

San Francisco School Department, by Benson & Neff.

Employees Retirement System, by Arthur Young & Co.

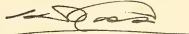
As prescribed by section 66 of the Charter, audits of the various departments of the City and County were made by the Controller's Audit Staffs. Included herein are the following:

Office of the Treasurer, by Controller's General Audit Staff.

San Francisco Airport, by Controller's Utilities Audit Staff.

Statistical schedules and charts were prepared by the Controller's Division of Accounts and Reports.

Very truly yours,


HARRY D. ROSS

CONTROLLER

CONTROLLER

Centralized financial planning,
control and management, accounting,
auditing and systems

CHIEF ASSISTANT CONTROLLER

GENERAL AUDITS

Monthly audit of Treasurer's Office,
Monthly audit of Board of Supervisors
System design and installation
Special Investigations

UTILITY AUDITS

Audit-System Design & Installation
San Francisco Municipal Water
Office, Bur. of Li. Hy. Pow., Municipal Ry.
Water Dept., Hetch Hetchy Water
Supply, Hetch Hetchy Power Operative
Airport, All Fed. Aid Projects

PAYROLL DIVISION

Audit and preparation of all timerolls,
payrolls and salary and pension warrants,
Monthly audit of all payrolls and
Maintains accounting controls over all
payrolls and all authorized deductions;
preparation of Aid rolls and warrants.

ACCOUNTS-STATISTICS

Proprietary Ledger-Property Ledger
Expense Ledger - Bond Interest and
Redemption audit and control -
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Reports - State Sanatoriums
Extension and audit of Tax Rolls

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ENCUMBRANCES
DISBURSEMENTS

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Registration of Licenses with Treasurer
Register of Receipts
Stationery Control of fee
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Tax Apportionments
Cash position
Trust Accounts

ENCUMBRANCES

Audit, Recordation and
Control of
Purchase Orders
Contracts
Orders for Work (inter-dept)
Work Orders
Court Orders
Judgments
Claims

GENERAL DISBURSEMENTS

AUDIT

Authority
Legality
Specifications
Prices
Extensions
Material
received
reports

VOUCHER WARRANTS

Typing,
numbering
and
mailing

PAYROLL RELEASE

Process and release of
warrants to departments
and banks, timerolls
and disbursements
of expenditures,
maintain file for judgments,
power of attorney, "hold-
over"

SOCIAL SERVICE

AUDIT OF CLAIMS
Needy Aged
Needy Blind
Widows Pensions
Feeble Minded
Dependent Children
Criminal Inmate
Narcotics
Maintenance
of Minors

APPROPRIATION LEDGER

Verification of
Appropriations
Allotments
Encumbrances
Disbursements

WARRANT REGISTER

Verification of Paid Warrants
Reconciliation of
Outstanding Warrants

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF REVENUES

Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)
Property Taxes and Penalties	\$41,189,093.18	\$47,214,061.37	\$51,429,241.75	\$60,358,807.60	\$66,599,337	\$66,590,390	\$70,795,833	\$69,853,672	\$76,123,321	\$84,448,841
Retail Purchase and Use Tax					4,579,668	5,045,495	4,923,011	5,049,201	4,984,922	5,124,881
Other Taxes and Licenses	1,189,013.40	1,314,284.17	1,337,328.41	1,467,018.36	1,459,637	1,465,059.38	1,586,403	1,586,403	1,586,403	1,586,403
Court Fines	43,386,667.69	49,378,088.74	57,562,567.46	67,872,068.32	68,415,974	74,765,498	79,015,291	78,846,301	85,309,690	94,432,524
Departmental Revenues	3,096,919.26	3,774,663.20	4,071,272.14	5,223,305.83	5,183,129	6,499,076	6,182,217	6,620,108	6,901,796	7,757,720
Interest Earned	22,419.27	29,547.68	74,734.63	305,593.03	418,584	489,584	530,303	526,697	578,940	507,011
Rents, S. F. Unified School District	387,863.35	389,311.88	387,650.94	401,066.35	371,262	361,303	358,655	367,265	364,083	356,863
Contributions from Water Dept.										
Cash Transferred from Capital Funds	8,850.00	94,200.00								
Cash Transferred from Trust Fund										
Gifts - Community - in lieu of taxes	405,974.65	409,109.41	418,318.79	274,457.96	372,387	392,037	326,222	244,435	394,865	190,569
Miscellaneous	86,280.56	332,461.76	69,484.73	51,440.55	91,940	49,493	87,988	134,104	90,099	158,035
From School Cafeteria Fund	5,599,482.19	5,037,279.43	5,027,961.23	6,673,819.59	7,374,664	8,015,338	7,854,639	8,251,594	9,154,399	8,938,699
Revenues Through State of California:										
Shared State Taxes:										
*Motor Vehicle Fuel Tax	1,264,643.21	1,358,866.20	1,576,501.00	1,576,870.35	1,705,617	1,823,475	1,902,631	1,981,376	1,980,017	2,004,260
State Gas Tax	774,884.21	774,086.00	1,575,860.21	2,408,476.96	2,207,248	2,308,220	2,250,222	2,327,622	2,269,025	2,274,701
Special Gas Tax Street Imp. Fund	302,352.38	357,422.73	283,421.37	360,431.27	382,973	403,898	405,851	413,644	329,250	413,571
Motor Vehicle Registration Fees	1,296,906.81	2,148,312.76	4,043,960.76	3,331,193.04	4,346,181	4,407,173	6,508,349	5,671,985	6,352,085	6,600,986
Motor Vehicle License Fees	774,712.15	698,111.70	1,266,936.72	1,264,850.06	1,367,041	1,415,966	1,549,603	1,263,643	1,261,919	1,276,236
Alcohol Beverage License Subsidy	2,310.24		2,620.00							
Miscellaneous										
State and Federal Grants-In-Aid:										
State Grants-In-Aid:	87,313.25	104,983.67	195,597.25	266,382.53	411,910	569,920	557,906	526,558	517,699	539,697
Federal Grants-In-Aid:	180,175.72	241,912.02	420,800.14	730,596.62	1,567,352	2,681,619	2,856,288	2,894,867	3,000,146	3,248,027
Aid to Needy Children	188,346.99	187,872.41	276,242.58	182,873.83	191,972	442,090	451,306	467,457	479,407	499,579
Aid to Needy Blind	5,278,618.83	5,839,057.74	6,878,562.40	3,883,186.33	11,979,831	11,657,159	11,657,159	11,657,159	11,760,138	11,273,450
Aid to Needy Aged										
Adoption Program						64,000	93,008	116,139	126,815	86,349
Inspection Services - Aged and										
Children										
T. Children	21,464.94	21,920.06	26,420.06	38,772	27,544	27,544	24,792	27,768	29,384	34,800
T. Children - Aid Subsidy	170,220.36	201,040.01	448,035.61	32,627.82	489,684	523,186	513,845	520,617	459,341	533,288
Aid for Elementary Schools	2,697,702.00	2,698,169.60	4,276,490.00	4,562,720.00	4,638,905	4,748,901	4,996,542	5,500,557	7,119,817	7,371,876
Aid for High Schools	1,948,670.71	1,782,953.47	2,062,250.00	2,191,363.50	2,251,299	2,408,179	2,334,120	2,497,614	3,064,387	3,211,075
Aid for City College		248,546.90	600,140.00	601,310.00	572,000	563,240	450,470	429,330	586,141	385,903
County School Service Fund			24,400.00	27,400.00	27,059	26,577	25,471	31,550	36,387	38,906
Federal Aid to Schools	231,575.52	866,700.63	780,610.01	999,837.71	496,366	642,511	825,318	940,575	1,053,533	964,401
Child Care Center	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40	57,303.40
Fire Boat Subsidy	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00
Fire Boat Subsidy	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00	12,325.00
Civilian War Assistance	145,173.93	158,263.55	158,263.55	188,345.55	190,636	191,830	198,528	206,424	226,347	180,601
Waterfront Expense Subsidy	405,107.29	125,743.64	65.00							
Aid for Log Cabin Ranch	24,692.00	9,710.00	10,411.33	11,340.00	11,626	18,019	20,970	22,992	25,861	27,249
Public Health Planning Projects	85,996.21	23,588.61	30,878.50	31,424.00	30,559.60	48,402	40,407	43,250	46,360	52,907
Public Health Subsidy		29,686.74	89,474.35	35,353.83	363,315	343,000	377,780	125,147	199,159	199,341
Public Health Subsidy		1,700,000.00	270,000.00	248,813.57	257,903	257,903	227,947	257,947	257,947	257,947
California Centennial Commission										
School Cafeteria										
Crippled Children Program										
Disaster Council & Corps										
Total Revenues	\$15,855,324.20	\$18,770,856.03	\$26,047,275.23	\$33,915,871.07	\$27,449,093	\$36,947,258	\$38,943,336	\$39,808,407	\$47,087,117	\$43,430,552
Debits	\$4,840,874.08	\$7,318,024.20	\$8,037,803.92	\$9,406,756.98	\$10,237,731	\$11,719,704	\$12,660,259	\$13,606,302	\$15,131,414	\$16,260,441
Total	\$11,014,450.12	\$11,452,831.83	\$18,009,471.31	\$24,509,114.09	\$17,211,360	\$25,227,554	\$26,283,077	\$26,202,100	\$31,955,703	\$27,170,111

**Does not include amount apportioned to the State Highway Trust Fund.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
STATEMENT OF EXPENDITURES

Fiscal Year 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950 (a)	1951 (a)	1952 (a)	1953 (a)	1954 (a)	1955 (a)
Departmental Expenditures:										
Bonds and Interest	\$ 5,121,790.30	\$ 4,103,050.93	\$ 4,925,050.92	\$ 7,085,988.85	\$ 7,838,393.	\$ 7,769,286	\$ 8,715,034	\$ 8,559,705	\$ 9,385,669	\$ 9,969,316
Public Safety	9,147,030.35	9,057,546.70	12,489,310.59	14,933,249.89	15,228,393	15,888,907	17,590,945	17,424,144	20,328,109	22,367,457
Highways	1,370,110.94	1,473,382.64	1,929,206.37	1,922,531.04	2,046,428	2,163,287	1,950,737	2,722,531	3,028,109	3,324,461
Sanitation and Waste Removal	1,343,903.46	1,842,717.46	1,929,911.11	2,118,532.33	2,141,219	2,147,014	2,569,934	2,957,688	3,269,346	3,424,461
Conservation of Health	1,071,950.33	1,375,165.57	1,615,711.13	1,932,356.02	2,088,305	2,123,358	2,390,449	2,502,420	2,553,708	2,806,121
Public Welfare	3,871,672.83	4,726,101.63	5,825,183.39	6,318,117.81	6,601,352	6,696,240	7,761,571	6,478,313	7,107,558	7,738,386
Public Works	1,676,779.55	1,828,720.40	1,979,876.16	1,908,140.47	1,018,600	1,080,704	201,251	1,801,926	2,160,169	2,450,169
Correction	647,779.55	828,720.40	979,876.16	1,008,140.47	1,018,600	1,080,704	251,296	1,801,926	2,160,169	2,450,169
Schools	12,809,962.37	16,101,288.59	19,136,880.47	21,712,215.21	23,016,066	24,390,045	26,798,540	29,341,754	31,363,509	32,027,730
Libraries	509,678.71	654,835.86	695,706.78	772,215.21	802,552	825,926	932,544	935,314	1,045,452	1,105,315
Recreation	3,454,570.99	4,221,776.93	4,737,851.59	5,276,653.38	5,296,062	4,753,800	4,923,813	5,075,479	5,419,246	5,580,062
Total Departmental Expenditures	48,402,476.82	58,852,825.60	68,103,337.83	71,102,986.83	76,950,480	86,518,467	95,677,549	101,337,839	108,170,972	112,340,950
Bond Redemption	2,915,000.00	3,015,000.00	3,015,000.00	4,189,000.00	4,639,000	5,098,000	5,483,000	5,540,000	5,654,000	6,694,000
Other Interest	1,152,044.24	1,031,769.30	959,252.78	1,077,874.78	1,298,730	1,335,016	1,367,580	1,447,005	1,618,812	1,594,498
Other Investment	47,048.96	212,500	.....	.....	.....	.....	.....	.....	.....	.....
Pensions and Compensation	3,919,551.29	4,457,047.00	7,519,358.77	8,285,240.80	10,516,145	10,918,329	11,880,452	12,541,720	13,327,239	13,761,938
Judgments and Losses	17,947.98	34,483.47	57,147.97	56,543.48	37,177	79,589	21,749	213,370	125,789	209,633
Support of Public Service	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hetch Hetchy Project	2,079,484.21	6,836,08*	.....	.....	.....	.....	.....	.....	.....	.....
Airports	420,332.69	891,489.22	1,504,236.56	2,632,670.00	2,966,390	2,956,780	1,712,594	1,464,442	1,465,459	1,890,856
Public Utilities Commission:	.....	.....	.....	2,461,249.14	.....	1,062,032	2,384,117	9,000*	.....	2,932,848
Light, Heat and Power	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital Additions From Revenues	21,211,013.17	27,733,964.71	2,586,764.38	4,103,680.48	28,429	213,740	65,136	1,812	139,379	145,615
Civilian Defense	152,712.60	31,186.55	22,893.96	.....	5,034,158	7,297,800	3,621,935	3,447,915	5,297,575	5,297,575
Assessments, Other Civil	146,192.85	198,210.00	181,598.36	170,342.08	171,825	190,383	169,133	99,000	99,000	336,113
Divisions	1,526,953.21	2,432,511.38	733,508.34	1,817,305.93	1,401,910*	274,018	8	761,785	1,049,231*	820,044*
Miscellaneous, net	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Expenditures	\$62,900,768.02	\$73,373,776.17	\$85,083,098.95	\$96,919,615.29	\$101,501,574	\$118,090,320	\$122,586,674	\$127,203,977	\$135,730,407	\$144,510,750

*Denotes Credit.

(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT

STATEMENT OF OPERATIONS

Fiscal Years 1946-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)
Water Sales	\$10,040,169.37	\$10,519,351.35	\$10,614,577.04	\$10,932,354.55	\$10,151,099.50	\$10,798,833.90	\$11,351,399.94	\$11,804,318	\$12,133,574	\$12,683,906
Operating Expenses:										
Provision for Depreciation, ...	979,333.30	888,180.86	891,767.46	889,337.61	906,404.87	940,078.04	948,787.58	970,779	1,077,970	1,178,805
Other Operating Expenses, ...	3,166,965.09	6,591,925.78	6,795,039.29	7,333,010.93	6,431,285.62	6,372,332.92	6,512,562.53	6,910,530	7,315,650	8,109,677
	4,146,198.39	7,480,106.64	7,686,806.75	8,222,348.54	7,337,690.49	7,312,410.96	7,461,350.11	7,881,309	8,393,620	9,288,482
Profit from Operations	5,893,970.98	3,039,244.71	2,927,770.29	2,710,006.01	2,813,409.01	3,486,422.94	3,890,049.83	3,923,009	3,739,954	3,395,424
Other Income	168,944.63	210,773.60	179,915.15	245,593.36	201,651.22	237,246.98	313,604.11	382,030	923,093	578,909
	6,062,915.61	3,250,018.31	3,107,685.44	2,955,599.37	3,015,060.23	3,723,669.92	4,203,653.94	4,305,039	4,663,047	3,974,333
Other Expenses:										
Interest on Bonded Debt	1,314,303.33	1,246,783.33	1,179,263.34	1,111,743.33	1,052,577.44	984,957.50	928,386.17	986,083	914,115	875,664
Other	47,637.39	58,501.51	40,027.25	50,879.92	44,439.43	44,874.53	65,148.01	72,538	60,058	83,724
	1,361,940.72	1,305,284.84	1,219,290.59	1,162,623.25	1,097,016.87	1,029,832.03	993,734.18	1,058,621	974,173	959,388
Net Income	\$ 4,700,974.89	\$ 1,944,733.47	\$ 1,888,394.85	\$ 1,792,976.12	\$ 1,918,043.36	\$ 2,693,837.89	\$ 3,209,919.76	\$ 3,246,418	\$ 3,688,874	\$ 3,014,945

(a) Census Omitted.

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
STATEMENT OF OPERATIONS
Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953 (a)	1954 (a)	1955 (a)
Power Sales	\$3,058,669.80	\$3,319,004.76	\$3,392,272.27	\$3,390,905.66	\$3,322,439.95	\$3,439,372.12	\$4,009,143.65	\$4,617,981	\$4,289,746	\$4,526,204
Standby Charge and Sale of Water to the S. F. Water Dept	661,277.00	3,731,908.00	3,533,700.00	3,780,804.29	3,586,504.63	3,575,046.00	3,445,250.00	3,545,590	3,545,590	4,030,000
	3,719,946.80	7,050,912.76	6,925,972.27	7,171,709.95	6,910,944.58	7,014,418.12	7,454,393.65	8,163,571	7,835,336	8,556,289
Operating Expenses:										
Provision for Depreciation	1,320,856.59	1,318,809.10	1,514,979.47	1,509,904.71	1,507,862.87	1,696,960.13	1,697,308.11	1,710,305	1,811,945	1,825,007
Other Operating Expenses	1,408,026.83	1,576,200.79	1,869,609.69	1,761,431.01	1,886,543.66	1,824,901.18	2,421,267.67	2,900,321	2,783,817	3,226,122
	2,928,883.42	3,095,009.89	3,384,589.16	3,271,335.72	3,394,406.53	3,521,861.31	4,118,575.78	4,610,626	4,595,762	5,051,129
Profit from Operations	791,063.38	3,955,902.87	3,541,383.11	3,900,374.23	3,516,538.05	3,492,556.81	3,335,817.87	3,552,945	3,239,574	3,505,160
Other Income	8,975.48	19,065.14	22,833.35	23,435.68	29,455.94	29,175.91	69,512.59	65,315	56,767	41,715
	800,038.86	3,974,968.01	3,564,216.46	3,923,809.91	3,545,993.99	3,521,732.72	3,405,330.46	3,618,260	3,296,341	3,546,875
Other Expenses:										
Interest on Bonded Debt	2,356,295.22	2,233,977.70	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,849,954.77	1,787,239	1,706,321	1,572,251
Other	116,029.64	87,910.45	.....	.....	.....	.....	2,248.68	2,354	.....	16,490
	2,452,324.86	2,321,888.15	2,131,660.21	2,029,342.71	1,927,557.47	1,962,307.62	1,852,203.45	1,789,593	1,706,321	1,588,741
Net Income	\$1,652,286.00*	\$1,653,079.86	\$1,432,556.25	\$1,894,467.20	\$1,618,436.52	\$1,559,425.10	\$1,553,127.01	\$1,828,667	\$1,590,020	\$1,958,134

*Denotes Loss.
(a) Cents Omitted.

CITY AND COUNTY OF SAN FRANCISCO
MUNICIPAL RAILWAY

STATEMENT OF OPERATIONS
Fiscal Years 1943-44 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Revenues	\$17,444,932.19	\$19,038,755.53	\$18,321,581.91	\$18,592,096.33	\$18,575,307.83	\$18,028,977.29	\$18,242,353.37	\$23,491,980.98	\$22,137,625.17	\$21,087,543.29
Operating Expenses:										
Depreciation	1,018,793.44	1,073,837.58	1,087,841.45	1,450,311.34	1,833,451.30	1,710,397.02	1,774,354.44	1,878,593.34	1,814,263.97	1,732,383.04
Other Operating Expenses	15,105,224.56	18,483,636.08	18,539,561.76	19,398,286.27	18,844,625.83	17,827,490.01	19,264,096.72	20,972,373.54	20,867,915.18	20,285,821.91
	16,124,018.00	19,557,473.66	19,627,403.21	20,848,597.61	20,678,077.13	19,537,887.03	21,038,451.16	22,850,966.88	22,682,179.15	22,018,204.95
Profit from Operations	1,320,914.19	518,718.13*	1,305,821.30*	2,256,501.28*	2,102,769.30*	1,508,909.74*	2,796,097.79*	641,014.10	544,553.98*	930,661.66*
Other Income	5,359.95	51,678.23	10,519.31	13,064.57	287,177.18	359,890.20	24,243.33	154,071.82	24,498.31	56,617.87
	1,326,274.14	467,039.90*	1,295,301.99*	2,243,436.71*	1,815,592.12*	1,149,019.54*	2,771,854.46*	795,085.92	520,055.67*	874,048.79*
Other Expenses:										
Interest on Market Street Railway purchase	119,808.08	85,721.02	64,725.99	.....	.....	.....	.....	.....	.....	.....
Interest on Bonded Debt	37,083.33	32,083.34	30,727.50	107,194.79	259,419.92	284,605.13	287,001.45	295,796.52	271,215.08	249,193.47
Other	78,085.29	.....	202,926.02	137,716.09	.....	96,784.97	58,471.67	1,320.47	91,202.15	29,840.93
	234,976.70	117,804.36	298,379.51	244,910.88	259,419.92	381,390.10	345,473.12	297,116.99	362,417.23	279,034.40
Net Income	\$ 1,091,297.44	\$ 584,844.26*	\$ 1,593,681.50*	\$ 2,488,347.59*	\$ 2,075,012.04*	\$ 1,530,409.64*	\$ 3,117,327.58*	\$ 497,968.93	\$ 882,472.90*	\$ 1,153,078.19*

*Denotes Loss.

CITY AND COUNTY OF SAN FRANCISCO
AIRPORT

STATEMENT OF OPERATIONS

Fiscal Years 1945-46 to 1954-55

FISCAL YEAR ENDED JUNE 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955
Revenues:										
Landings Charges	\$ 48,104.55	\$ 90,375.37	\$ 118,658.26	\$ 130,101.09	\$ 155,233.76	\$ 213,317.28	\$ 293,517.92	\$ 340,008.82	\$ 422,577.78	\$ 444,124.66
Rentals	17,668.14	99,430.73	101,127.58	195,573.44	246,869.66	298,727.32	380,556.80	469,125.99	526,949.11	1,024,036.66
Other	109,063.71	288,025.74	362,827.77	423,983.28	520,862.45	647,286.20	831,875.31	990,491.77	1,164,378.60	2,129,501.00
Operating Expenses:										
Depreciation	214,777.76	434,979.48	434,958.82	638,043.10	648,646.19	823,399.87	832,193.45	811,347.59	718,388.20	730,489.68
Other Operating Expenses	147,634.22	254,921.49	386,833.69	506,176.63	571,061.36	583,435.30	584,750.31	634,630.35	703,119.80	1,162,997.86
Profit from Operations	362,411.98	689,900.97	823,792.51	1,144,219.73	1,219,707.55	1,406,775.17	1,416,943.76	1,445,978.14	1,421,508.00	1,893,487.54
Other Income	253,348.27*	401,875.23*	460,964.74*	720,236.45*	698,845.10*	759,488.97*	585,068.45*	455,486.37*	257,129.40*	236,013.46
Net Income	12,727.07	18,933.88	25,907.75	30,185.17	25,353.19	33,725.10	31,936.16	29,440.08	59,591.74	102,875.46
Interest on Bonded Debt	240,621.20*	382,941.35*	435,056.99*	690,051.28*	673,491.91*	725,763.87*	553,132.29*	426,046.29*	197,537.66*	338,888.92
Other Expenses	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	120,900.41	134,091.68	116,542.44	99,108.12	138,586.88
Net Income	16,797.01	13,188.56	29,303.68	106,390.54	87,584.53	123,381.63	149,242.81	96,288.77	284,248.06	227,624.60
Net Income	\$257,418.21*	\$396,129.91*	\$464,360.67*	\$796,441.82*	\$761,076.44*	\$849,145.50*	\$702,375.10*	\$522,335.06*	\$481,785.72*	\$111,264.32

*Denotes Loss

CITY AND COUNTY OF SAN FRANCISCO
FINANCIAL STATEMENT
FOR THE 10 YEAR PERIOD JULY 1, 1945 TO JUNE 30, 1955

	Increase or Decrease During Fiscal Year			Balance - June 30, 1955		
	Total	Land	Equipment	Total	Land	Equipment
GENERAL GOVERNMENT						
Civic Center, Incl. City Hall	\$ 917,468.61	\$ 3,000.00	\$ 106,534.65	\$ 813,931.96	\$ 10,026,370.79	\$ 4,232,951.63
Civic Center, Incl. City Hall						
Police Dept.	2,977,222.35	175,008.53	558,147.53	16,101,296.89	815,272.09	11,081,088.55
Police Dept.	1,065,380.47	119,031.31	763,992.16	4,689,806.19	763,992.16	2,985,912.93
Dept. of Electricity	76,185.75	8,169.00	11,900.42	71,285.33	950,182.17	44,000.00
HIGHWAYS						
Streets, Tunnels, Bridges etc.	35,280,820.19	3,773,230.84	271,663.94	99,131,771.59	11,364,946.98	87,183,900.27
Asphalt Plant	169,580.28			704,312.05		529,580.28
Off-Street Parking	912,107.19			912,107.19		51,564.78
SANITATION						
Sanitary & Sewage Disposal Plants	37,271,292.73	1,682,617.68	260,030.44	59,179,512.39	1,766,162.78	57,018,781.02
Street Cleaning Dept.	298,309.98		298,309.98			66,112.60
Garbage Incinerator						
HEALTH CONSERVATION						
Sanitarium	75,824.38		18,387.11	1,325,918.17	29,112.00	1,132,136.70
Civic Center Health Bldg.	212,912.54	575.00	735.79	1,377,602.01	158,013.49	908,714.20
Excelsior Health Center	190.00			85,198.01	11,447.50	86,618.18
Other	76,110.00	2,800.00	75,086.71	363,455.70	115,710.00	97,159.51
HOSPITALS						
San Francisco Hospital	1,263,874.61	19,630.00	796,288.38	7,691,891.38	671,996.97	5,715,873.51
Emergency Hospitals	69,157.12		69,157.12	319,720.04	10,999.70	82,969.15
PUBLIC WELFARE						
Laguna Honda Home	196,623.13	4,937.85	270,811.57	230,710.11	5,514,855.66	25,042.15
S. F. Welfare Dept.	377,082.79	137,500.00	162,500.00	390,733.02	137,500.00	162,500.00
CONFESSIONS						
County Jail	31,766.85		14,896.84	16,870.01	882,810.96	38,156.52
Juvenile Detention Home - Old	92,303.72		31,986.55	57,316.77	368,115.86	10,310.00
Youth Guidance Center	4,334,752.53	50,100.00	4,334,752.53	4,334,752.53	50,100.00	4,334,752.53
Juvenile Log Cabin Ranch	150,652.25		122,781.66	27,868.59	158,631.87	25,110.09
SCHOOLS						
	168,706,116.12	4,216,553.09	39,533,071.81	4,956,590.52	111,052,516.83	77,711,008.92
LIBRARIES						
	505,132.18	7,881.13	166,595.88	90,905.17	3,978,051.96	160,591.13
RECREATION						
Playgrounds & Swimming Pools	7,226,019.04	729,891.95	1,690,588.57	305,568.52	11,928,131.91	3,192,508.50
Museums, Art Galleries etc.	517,381.57		120,217.01	127,164.56	1,887,596.52	7,953,151.01
Mar Memorial & Opera House	15,012.97		9,257.39	5,785.58	5,121,913.16	1,187,187.20
Parks & Squares	2,280,783.17	570,208.00	1,140,031.90	300,501.27	28,135,752.53	1,039,117.78
Public Library	6,175.00		9,680.17	4,680.17	20,514,403.00	1,039,117.78
Owl Links	622,116.76	8,175.00	6,175.00	1,169,170.32	1,169,170.32	1,039,117.78
Beach Stadium	125,822.48		234,853.06		1,114,792.29	222,811.18
OTHER						
Central Warehouse & Corporation Yard	716,169.79	66,082.16	651,187.13		1,006,680.00	228,925.53
Retirement System	15,125.00		1,000.00	706.76	20,231.76	4,000.00
Miscellaneous	328,993.08	117,163.22	117,163.22	271,672.51	135,511.54	255,396.02
Total	\$117,656,896.18	\$12,157,228.60	\$12,157,228.60	\$117,656,896.18	\$60,216,037.10	\$60,216,037.10

CITY AND COUNTY OF SAN FRANCISCO
ADDITIONS TO PROPERTIES - BY SOURCE OF FUNDS
FOR THE 10 YEAR PERIOD JULY 1, 1945 TO JUNE 30, 1955

Source of Funds:	Total	Land	Buildings Structures & Improvements	Equipment
Current Funds:				
General Fund	\$ 11,397,584.18	\$ 230,276.31	\$ 6,698,577.04	\$ 4,168,730.83
Recreation and Park	3,295,673.81	1,108,160.82	1,756,272.67	130,916.32
Library	512,042.10	16,666.88	100,310.88	91,064.64
War Memorial	15,442.76		10,973.34	4,469.42
California Palace Legion of Honor	69,811.26		42,165.42	27,645.84
de Young Memorial Museum	470,166.64		376,413.96	93,752.68
Publicity and Advertising	7,704,903.97	785,936.08	6,672,492.21	300.00
Special Road Improvement	8,943,205.97	2,420,908.71	6,510,212.51	24,484.65
Special Use Tax Street Improvement	8,318,036.34	2,489,628.45	6,187,011.66	12,404.24
San Francisco Unified School District	1,018,309.51	528,103.21	490,206.70	3,401,396.24
Special Accumulative Building Fund - Schools	9,328.63			9,328.63
Child Care Centers	13,754,355.17	7,525,701.46	25,443,636.38	8,186,194.97
Capital Funds:				
Real Property, General City	994,761.26*	794,807.70*	199,953.56*	1,051.65
Real Property, S. F. U. S. D.	28,471.62	256,119.69	227,648.07*	
1927 Boulevards Bond Fund	135,563.80	3,984.03*	139,547.83	
1929 Hospitals Bond Fund	1,051.65			
1931 Parks & Squares Bond Fund	2,159.58			
1933 Seavers Bond Fund	124.87	30.00	2,159.58	
1938 Hospitals Bond Fund	4,354.55		94.87	
1942 Fire Protection Bond Fund	2,587.57*		1,354.55	
1944 Seavers Bond Fund	2,176,002.31		8,009.82*	
1944-46 Juvenile Home & Court Bond Fund	4,254,227.40	1,612,617.62	19,559,458.53	5,422.25
1947 Street Improvement Bond Fund	15,556,500.88	302,951.05	4,196,277.33	3,925.99
1947 Recreation Bond Fund	7,863,623.52	15,250,282.98	6,751,660.78	3,266.85
1948 Off-Street Parking Bond Fund	912,109.19	860,784.11	51,324.78	180,946.56
1948 Sewage Treatment Bond Fund	13,526,464.73	67,005.86	13,448,683.03	40,615.84
1948 Schools Bond Fund	39,291,400.69	959,072.09	36,763,501.53	1,506,527.27
1951 Firehouse Bond Fund	1,293,075.01	113,652.05	1,179,422.96	
1951 Eugene Bonds Home Bond Fund	48,684.28		48,283.09	598.19
1951 Schools Bond Fund	129,977.20		129,977.20	
1951 San Francisco Hospital Bond Fund	47,597.80*	47,597.80*	478.03	493.37
Miscellaneous	47,597.80*	47,597.80*	478.03	
	103,119,735.70	4,255,857.42	27,019,478.54	1,612,999.71
Trust Funds:				
State Highway Trust	2,867,123.25	529,841.72	2,337,281.53	706.76
Retirement System	20,231.76	15,525.00	4,000.00	
Sigmund Stern - Donation	15,000.00	15,000.00		
Metropolitan Life Insurance Co. - Donation	20,000.00	20,000.00		
	2,922,355.01	580,366.72	2,341,988.53	706.76
Total Additions	\$117,856,896.48	\$12,357,228.60	\$124,869,796.15	\$10,629,871.43

*Denotes Decrease

CITY AND COUNTY OF SAN FRANCISCO

ASSESSMENT ROLLS

Fiscal Years 1945-46 to 1955-56

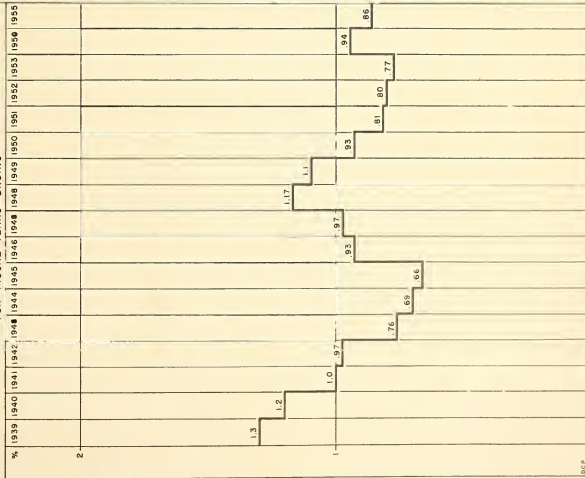
Fiscal Year	Roll	Assessed By	Land	Improvements	Tangible Personal Property	Veterans' Welfare and Other Exemptions	Total Assessed Value Subject to City & Co. Ad Valorem	Rate	Solvent Credits Taxed @	Total Roll
1945-46	Unsecured - City and County Assessor...	.....	.....	.....	98,182,638	.....	98,182,638	4.69	306,612,656	404,795,294
	Secured - City and County Assessor .....	.....	298,983,215	371,683,405	5,884,172	8,684,634	664,836,138	4.83	10,681,189	675,517,347
	Secured - State Board of Equalization .....	.....	11,365,640	40,280,850	31,957,590	.....	83,604,080	4.83	52,758,150	136,362,230
	Total .....	.....	\$307,318,855	\$411,964,255	\$136,024,400	\$ 8,684,634	\$ 846,622,876	.....	\$370,051,995	\$1,216,674,871
1946-47	Unsecured - City and County Assessor...	.....	.....	.....	110,180,654	.....	110,180,654	4.83	291,963,083	402,143,737
	Secured - City and County Assessor .....	.....	297,150,419	379,741,290	5,517,536	16,967,838	665,441,457	5.25	9,112,900	674,554,357
	Secured - State Board of Equalization .....	.....	11,291,570	41,736,690	32,055,820	.....	85,084,080	5.55	62,005,210	147,089,290
	Total .....	.....	\$308,441,989	\$421,477,980	\$147,754,010	\$16,967,838	\$ 860,706,141	.....	\$363,081,193	\$1,223,787,334
1947-48	Unsecured - City and County Assessor...	.....	.....	.....	150,379,489	4,464,748	145,914,741	5.55	328,391,141	474,305,882
	Secured - City and County Assessor .....	.....	304,975,992	403,618,630	4,811,461	34,899,392	678,606,691	5.62	7,769,526	686,376,217
	Secured - State Board of Equalization .....	.....	11,441,450	43,692,360	33,962,940	.....	89,096,750	5.62	32,033,180	121,129,930
	Total .....	.....	\$316,417,442	\$447,410,990	\$189,153,890	\$39,364,140	\$ 913,618,182	.....	\$368,193,847	\$1,281,812,029
1948-49	Unsecured - City and County Assessor...	.....	.....	.....	176,254,123	2,170,550	174,083,573	5.62	388,793,008	562,876,581
	Secured - City and County Assessor .....	.....	333,507,884	426,062,240	7,052,890	37,269,790	729,353,224	6.09	8,097,591	737,450,815
	Secured - State Board of Equalization .....	.....	11,566,170	49,385,230	35,695,010	.....	96,646,410	6.09	33,209,320	129,855,730
	Total .....	.....	\$345,074,054	\$475,447,470	\$219,002,023	\$39,440,340	\$1,000,083,207	.....	\$430,099,919	\$1,430,183,126
1949-50	Unsecured - City and County Assessor...	.....	.....	.....	187,081,075	2,368,931	184,712,144	6.09	413,302,218	598,014,362
	Secured - City and County Assessor .....	.....	338,327,522	447,097,465	7,996,786	39,773,711	753,648,062	5.66	10,463,329	764,111,391
	Secured - State Board of Equalization .....	.....	11,634,050	60,688,540	40,147,520	.....	112,470,110	5.66	34,463,430	146,933,540
	Total .....	.....	\$349,961,572	\$507,786,005	\$235,225,381	\$42,142,642	\$1,050,830,316	.....	\$458,228,977	\$1,509,059,293
1950-51	Unsecured - City and County Assessor...	.....	.....	.....	174,987,355	2,460,275	172,527,080	5.66	446,958,945	619,486,025
	Secured - City and County Assessor .....	.....	338,486,080	468,437,890	10,373,612	42,988,325	774,309,257	6.29	7,389,121	781,698,381
	Secured - State Board of Equalization .....	.....	11,594,320	64,845,380	38,418,540	.....	114,858,240	6.29	41,805,700	156,663,940
	Total .....	.....	\$350,080,400	\$533,283,270	\$223,779,507	\$45,448,600	\$1,061,694,577	.....	\$496,153,766	\$1,557,848,343
1951-52	Unsecured - City and County Assessor...	.....	.....	.....	199,089,454	2,242,564	196,846,890	6.29	541,279,205	738,126,095
	Secured - City and County Assessor .....	.....	340,439,080	492,967,440	13,490,816	46,503,530	800,393,806	6.19	9,174,744	809,568,550
	Secured - State Board of Equalization .....	.....	15,762,340	66,620,930	41,853,110	.....	124,236,380	6.19	58,641,660	182,878,040
	Total .....	.....	\$356,201,420	\$559,588,370	\$254,433,380	\$48,746,094	\$1,121,477,076	.....	\$609,095,609	\$1,730,572,685
1952-53	Unsecured - City and County Assessor...	.....	.....	.....	220,812,645	2,086,937	218,725,760	6.19	571,045,856	789,771,554
	Secured - City and County Assessor .....	.....	348,660,965	530,992,235	12,794,811	44,981,574	847,466,457	5.67	8,388,619	855,855,076
	Secured - State Board of Equalization .....	.....	16,714,810	67,703,770	44,590,910	.....	129,009,490	5.67	50,850,600	179,664,330
	Total .....	.....	\$365,375,775	\$598,696,005	\$278,198,386	\$47,068,511	\$1,195,201,655	.....	\$630,089,515	\$1,825,291,170
1953-54	Unsecured - City and County Assessor...	.....	.....	.....	232,302,098	2,014,395	230,287,703	5.67	598,586,730	828,874,433
	Secured - City and County Assessor .....	.....	350,820,577	548,705,058	8,114,636	49,911,533	857,728,738	6.27	5,772,285	863,501,023
	Secured - State Board of Equalization .....	.....	16,799,640	68,685,230	47,872,160	.....	133,357,030	6.27	59,152,340	192,509,370
	Total .....	.....	\$367,620,217	\$617,390,288	\$288,288,894	\$51,925,928	\$1,221,373,471	.....	\$663,511,355	\$1,884,884,826
1954-55	Unsecured - City and County Assessor...	.....	.....	.....	233,165,805	2,385,376	230,780,429	6.27	658,769,128	889,549,557
	Secured - City and County Assessor .....	.....	351,797,115	562,069,670	9,133,322	53,599,964	869,400,145	6.85	11,636,328	881,036,381
	Secured - State Board of Equalization .....	.....	16,750,680	72,576,320	49,673,340	.....	138,800,340	6.85	55,227,520	194,027,860
	Total .....	.....	\$368,547,795	\$634,445,990	\$291,972,467	\$55,985,340	\$1,238,980,912	.....	\$725,632,886	\$1,964,613,798
1955-56	Unsecured - City and County Assessor...	.....	.....	.....	235,577,529	2,253,342	233,324,187	6.85	715,284,484	948,608,671
	Secured - City and County Assessor .....	.....	353,884,456	582,012,805	9,090,434	54,527,921	890,459,774	7.02	7,918,999	898,378,773
	Secured - State Board of Equalization .....	.....	16,950,530	74,539,330	48,923,710	.....	140,413,570	7.02	58,884,680	199,298,250
	Total .....	.....	\$370,834,986	\$656,552,135	\$293,591,673	\$56,781,263	\$1,264,197,531	.....	\$782,088,163	\$2,046,285,694

CITY AND COUNTY OF SAN FRANCISCO
DETAIL OF TAX RATES

Fiscal Years 1946-47 to 1955-56

	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
General Fund - Charter Limit \$1.65.....	1.606739	1.228896	1.126318	1.261335	1.288331	1.181879	1.100226	1.127311	1.026134	.976736
General Fund - Other Necessary Expenditures Not Limited .....	.886788	1.332376	1.415456	1.320391	1.481594	1.446522	1.351770	1.738365	2.111081	2.202325
Unified School District	1.225865	1.366733	1.645139	1.299661	1.562837	1.702265	1.608920	1.682564	1.569888	1.754236
Recreation .....	.148002	.128131	.139433	.126423	.....	.....	.....	.....	.....	.....
Park .....	.231787	.194877	.272223	.203699	.....	.....	.....	.....	.....	.....
Recreation and Park .....	.....	.....	.....	.....	.33286	.308968	.300406	.333419	.308652	.342745
Library .....	.092736	.079649	.085277	.079214	.103886	.083429	.084568	.086696	.093976	.103168
Employees' Retirement .....	.415228	.607937	.572093	.761183	.728602	.768251	.727307	.774782	.868473	.858667
Bond Interest and Redemption .....	.562023	.427027	.345373	.232312	.257541	.225908	.166542	.184849	.309244	.287207
de Young Museum .....	.028140	.024749	.046452	.019540	.041135	.020559	.025020	.035008	.023888	.025787
California Palace of the Legion of Honor .....	.023237	.015741	.021058	.015458	.015651	.017172	.016888	.018072	.018568	.017771
War Memorial .....	.030623	.014676	.019291	.017742	.021101	.016755	.017447	.017548	.018690	.018530
Publicity and Advertising .....	.036508	.031683	.027403	.026161	.026098	.024423	.022763	.022529	.021227	.020999
Tax Judgments .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.002842
Child Care Centers .....	.....	.....	.....	.....	.....	.008818	.014731	.016049	.008877	.014446
Special Election Fund .....	.....	.006512	.....	.....	.000100	.....	.000267	.....	.....	.....
Interest on Tax Anticipation Notes .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Lighting Public Streets and Buildings .....	.150632	.130660	.129071	.093146	.103213	.096888	.095479	.106698	.103809	.099317
Alphabet .....	.111692	.030353	.030325	.203735	.190286	.118155	.137666	.116020	.161256	.040926
Hetch Hetchy Water Supply .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Municipal Railway .....	.....	.....	.215088	.....	.119469	.170008	.....	.....	.206237	.254298
P. U. C. Purchase of California St. Cable R. Co. .....	.....	.....	.....	.....	.016870	.....	.....	.....	.....	.....
Contribution to Purchase Buano Forest .....	.....	.....	.....	.....	.....	.....	.....	.010090	.....	.....
Total Levy	5.55	5.62	6.09	5.66	6.29	6.19	5.67	6.27	6.85	7.02

CITY AND COUNTY OF SAN FRANCISCO PERCENTAGES OF TAX DELINQUENCY FOR FISCAL YEARS ENDING



H. D. ROSS, CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO AMOUNTS OF TAX DELINQUENCIES Fiscal Years 1931-32 to 1954-55

Fiscal Year	Amount \$	Uncollected at June 30, Amount \$	Uncollected at June 30, 1955 Amount \$
1931-32	\$32,714,463	\$ 718,830	\$ 16,397
1932-33	31,752,726	1,705,581	229,434
1933-34	26,583,270	1,316,869	160,913
1934-35	28,808,183	958,096	26,446
1935-36	30,634,662	612,784	24,281
1936-37	30,985,643	449,704	20,217
1937-38	31,994,075	483,081	30,538
1938-39	33,337,812	442,132	19,124
1939-40	32,575,922	390,407	27,502
1940-41	35,162,785	367,339	42,146
1941-42	36,469,225	354,984	67,065
1942-43	37,469,083	288,158	61,642
1943-44	36,797,771	254,508	49,395
1944-45	39,647,406	262,652	33,996
1945-46	41,184,389	380,975	38,776
1946-47	47,374,328	457,779	50,674
1947-48	51,718,354	602,680	92,631
1948-49	60,779,270	669,631	109,361
1949-50	60,658,543	567,617	94,321
1950-51	66,522,097	537,393	87,271
1951-52	70,596,215	561,703	128,543
1952-53	69,947,162	539,325	148,381
1953-54	76,082,542	716,632	300,150
1954-55	84,509,028	724,612	724,612

CITY AND COUNTY OF SAN FRANCISCO

TAX YIELD

FISCAL YEAR 1955-56

	<u>VALUATION</u>	<u>TAX YIELD</u>	<u>RATE Per \$100</u>
Taxes on property assessed by City and County:			
Real Estate, Improvements, and			
Secured Personal Property:			
Real Estate and Improvements	\$935,897,261		
Tangible Personal Property	9,090,434		
Less Veterans' and Welfare Exemptions	<u>54,527,921</u>		
	\$890,459,774	\$ 62,510,553.18	7.02
Solvent Credits	<u>7,918,999</u>	<u>7,918.04</u>	.10
Total	<u>898,378,773</u>	<u>62,518,471.22</u>	
Unsecured Personal Property(Collected):			
Tangible Personal Property	70,729,566		
Less Veterans' and Welfare Exemptions	<u>1,724,417</u>		
	69,005,149	4,726,917.67	6.85
Solvent Credits	<u>383,774.650</u>	<u>383,784.89</u>	.10
Total	452,779,799	5,110,702.56	
Unsecured Personal Property (Uncollected):			
Tangible Personal Property	164,847,963		
Less Veterans' and Welfare Exemptions	<u>528,925</u>		
	164,319,038	11,255,889.58	6.85
Solvent Credits	<u>331,509,834</u>	<u>331,514.18</u>	.10
Total	<u>495,828,872</u>	<u>11,587,403.76</u>	
Total Assessed by City and County Assessor			
Taxes on property Assessed by State Board of			
Equalization:			
Real Estate and Improvements	91,489,860		
Tangible Personal Property	48,923,710	9,857,032.66	7.02
Solvent Credits	<u>58,884,680</u>	<u>58,884.68</u>	.10
Total Assessed by State Board of Equalization	<u>199,298,250</u>	<u>9,915,917.34</u>	
Total of Above Assessments	<u>\$2,046,285,694</u>		
Total Tax Yield 1955-56		89,132,494.88	
Reassessments		<u>484.66</u>	
TOTAL TAX YIELD		\$89,132,979.54	

CITY AND COUNTY OF SAN FRANCISCO

STATEMENT OF BONDING CAPACITY

AT JUNE 30, 1955

Maximum Limit:

12% of 1955-56 Assessment Roll (\$2,046,285,694)	\$245,554,283
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Bonded Debt Not Matured June 30, 1955

Total	\$179,792,000	
Exempt from 12% Limit (a)	<u>67,788,000</u>	<u>112,004,000</u>

Limit of Future Bond Sales (Subject to 12% Limit)	<u>\$133,550,283</u>
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Unissued (Unsold) Bonds, June 30, 1955:

	<u>Subject to 12% Limit</u>	<u>Exempt from 12% Limit</u>	<u>Total</u>
1947 Street Improvement	\$ 6,950,000		
1947 Off-Street Parking	4,000,000		
1947 Recreation	2,670,000		
1948 Sewage Treatment	1,450,000		
1948 Schools	990,000		
1952 Firehouse	2,950,000		
1954 Sewers	12,645,000		
1954 Exhibit Hall	3,275,000		
1954 Recreation Center	5,000,000		
1954 S. F. Hospital	5,830,000		
1954 Laguna Honda Home & Hospital	<u>5,475,000</u>		
	<u>\$51,235,000</u>	<u>-0-</u>	<u>\$51,235,000</u>

- (a) Section 104 of the Charter provides that the bonded debt shall not exceed 12% of the assessed value of all real and personal property in the City and County subject to the City and County taxes, exclusive of bonds issued for the following purposes:

For water supply, storage, or distribution purposes.

For financing public improvements, the cost of which is to be assessed against private property benefited thereby. (To date no such bonds have been issued.)

CITY AND COUNTY OF SAN FRANCISCO
ANNUAL BOND INTEREST AND REDEMPTION REQUIREMENTS
BASED UPON BONDED INDEBTEDNESS AT JUNE 30, 1955

General City, Including
S. F. Unified School District

Public Service Enterprises

Fiscal Year	Grand			General City, Including S. F. Unified School District			Public Service Enterprises		
	Total	Total	Total	Total	Redemption	Bond Interest	Total	Redemption	Bond Interest
1955-56	\$ 20,412,186.25	\$ 8,638,636.25	\$ 7,018,000	\$ 1,620,636.25	\$ 8,945,000	\$ 2,828,550.00	\$ 11,773,550.00	\$ 8,945,000	\$ 2,828,550.00
1956-57	20,073,716.25	8,521,670.00	7,062,000	1,459,670.00	8,951,000	2,601,076.25	11,552,076.25	8,951,000	2,601,076.25
1957-58	19,253,916.25	8,553,336.25	7,237,000	1,316,336.25	8,314,000	2,386,580.00	10,700,580.00	8,314,000	2,386,580.00
1958-59	19,085,042.50	8,587,000.00	7,416,000	1,171,000.00	7,416,000	2,163,342.50	10,197,342.50	7,416,000	2,163,342.50
1959-60	18,596,446.25	8,444,873.75	7,411,000	1,033,873.75	7,411,000	1,937,572.50	10,151,572.50	7,411,000	1,937,572.50
1960-61	17,229,943.75	8,202,611.25	7,311,000	891,611.25	7,311,000	1,713,332.50	9,027,332.50	7,311,000	1,713,332.50
1961-62	16,493,116.75	8,060,661.25	7,311,000	749,661.25	6,930,000	1,502,487.50	8,432,487.50	6,930,000	1,502,487.50
1962-63	16,116,188.75	7,923,303.75	7,310,000	613,303.75	6,929,000	1,293,885.00	8,222,885.00	6,929,000	1,293,885.00
1963-64	14,816,375.00	7,236,122.50	6,762,000	476,122.50	6,496,000	1,084,252.50	7,580,252.50	6,496,000	1,084,252.50
1964-65	13,272,800.00	6,850,175.00	6,497,000	353,175.00	5,531,000	891,625.00	6,422,625.00	5,531,000	891,625.00
1965-66	10,944,598.75	6,610,647.50	6,366,000	244,647.50	4,333,951.25	740,951.25	4,333,951.25	3,593,000	740,951.25
1966-67	6,308,168.75	2,933,987.50	2,805,000	128,987.50	3,374,181.25	624,181.25	3,374,181.25	2,750,000	624,181.25
1967-68	5,846,236.25	2,583,925.00	2,515,000	66,925.00	3,264,311.25	544,311.25	3,264,311.25	2,750,000	544,311.25
1968-69	3,871,447.50	1,305,125.00	1,275,000	30,125.00	2,566,322.50	406,322.50	2,566,322.50	2,160,000	406,322.50
1969-70	2,706,202.50	595,237.50	585,000	10,237.50	2,110,965.00	310,965.00	2,110,965.00	1,800,000	310,965.00
1970-71	1,929,482.50				1,929,482.50	229,482.50	1,929,482.50	1,700,000	229,482.50
1971-72	775,500.00				775,500.00	175,500.00	775,500.00	600,000	175,500.00
1972-73	748,500.00				748,500.00	148,500.00	748,500.00	600,000	148,500.00
1973-74	721,500.00				721,500.00	121,500.00	721,500.00	600,000	121,500.00
1974-75	694,500.00				694,500.00	94,500.00	694,500.00	600,000	94,500.00
1975-76	667,500.00				667,500.00	67,500.00	667,500.00	600,000	67,500.00
1976-77	640,500.00				640,500.00	40,500.00	640,500.00	600,000	40,500.00
1977-78	613,500.00				613,500.00	13,500.00	613,500.00	600,000	13,500.00

\$211,849,430.00 \$95,048,012.50 \$ 84,881,000 \$ 10,167,012.50 \$116,801,417.50 \$ 94,911,000 \$ 21,890,417.50

Unsold Bonds at June 30, 1955 in the amount of \$51,235,000 are not included.

CITY AND COUNTY OF SAN FRANCISCO
BOND INTEREST AND REDEMPTION
FUNDING STATEMENT

Fiscal Years 1946-47 to 1955-56

FISCAL YEAR ENDED JUNE 30

SOURCE OF REVENUES:
General City Issues:

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
Taxes	\$ 4,807,305	\$ 4,017,955	\$ 3,596,089	\$ 2,650,025	\$ 2,690,858	\$ 2,595,777	\$ 2,120,382	\$ 2,215,536	\$ 3,544,397	\$ 3,682,287
Special Road Improvement Fund ..	88,200	88,200	.....	.....	.....	.....	.....	.....	.....	.....
Capital Improvement Fund .....	.....	516,250	1,719,797	3,228,497	3,996,069	4,591,367	5,017,833	5,052,863	4,912,189	5,056,962
Surplus .....	.....	.....	.....	136,932	.....	.....	.....	.....	.....	.....
	4,895,505	4,622,405	5,315,886	6,015,454	6,686,927	7,187,144	7,138,215	7,268,399	8,456,586	8,739,249

Public Service Enterprises:

Utility Earnings:

Water Department	6,210,245	5,610,412	6,250,831	6,520,270	6,607,787	6,466,282	6,522,665	6,441,567	6,884,397	6,880,015
Hetch Hetchy Project	1,330,378	1,505,373	1,367,307	1,161,340	1,273,059	1,391,671	1,371,771	1,361,727	875,594	705,299
Municipal Railway	132,500	127,500	868,771	1,231,388	315,722	.....	1,849,107	1,861,459	.....	.....
Airport .....	.....	.....	.....	.....	124,584	366,099	437,912	663,500	433,830	1,502,010
Capital Improvement Fund (via Utility)	.....	1,162,500	2,358,085	1,166,765	968,202	620,151	.....	.....	.....	.....
Taxes (via Utility)	849,565	294,710	289,855	1,665,360	3,105,818	2,827,350	1,602,725	1,466,892	3,753,012	2,634,376

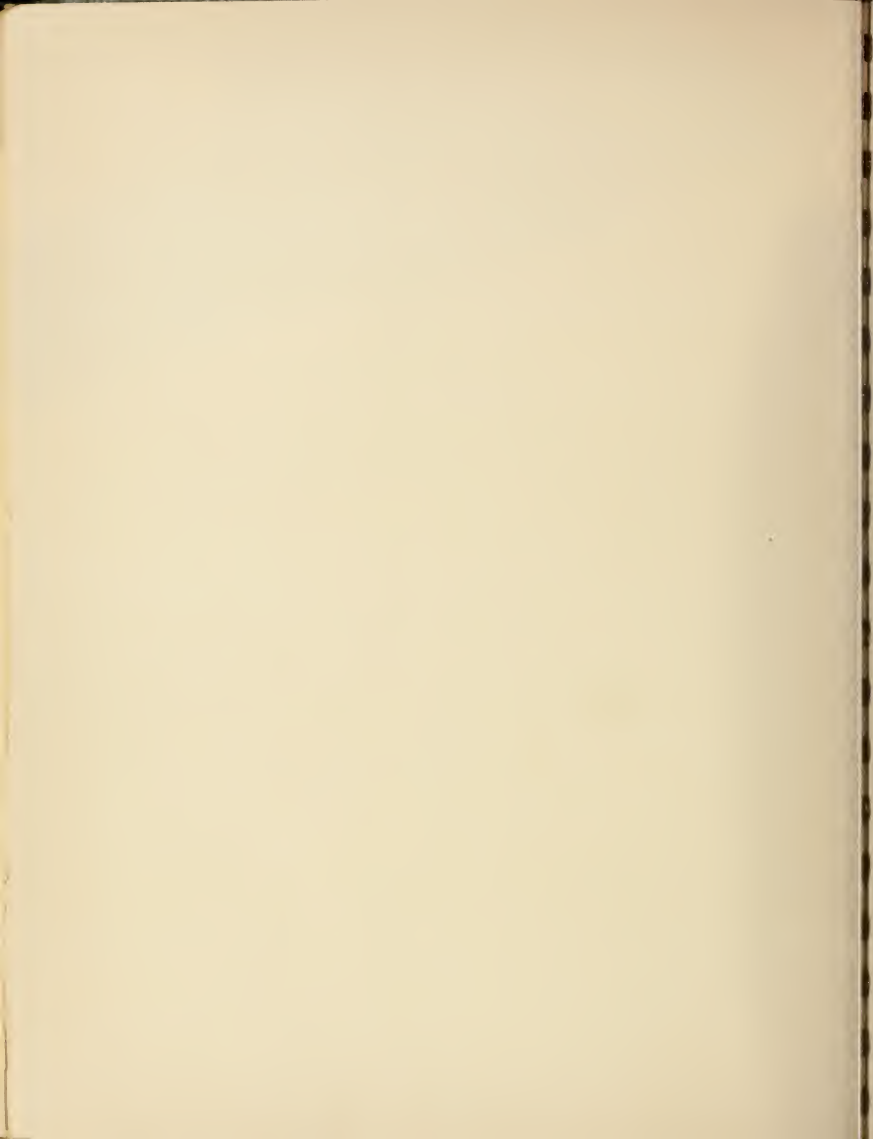
Total Budgeted Requirements

	\$13,418,193	\$13,322,900	\$16,450,735	\$17,760,577	\$19,082,099	\$18,858,697	\$18,922,395	\$19,063,544	\$20,403,419	\$20,461,549
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Office of the Controller

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REPORT AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1955



LINDQUIST, VON HUSEN AND JOYCE

CERTIFIED PUBLIC ACCOUNTANTS

660 MARKET STREET

SAN FRANCISCO 4

YUKON 6-6431

RUDOLPH E LINDQUIST
FRED J VON HUSEN
JOHN F JOYCE
NORMAN THOMAS

SAN FRANCISCO
LOS ANGELES
CONCORD

November 17, 1955

The Honorable Board of Supervisors
City and County of San Francisco
San Francisco, California

Dear Sirs:

In accordance with your resolution No. 15219, we have examined the books of account, records and transactions of the Office of the Controller of the City and County of San Francisco for the year ended June 30, 1955, and submit herewith the following statements:

Exhibit

- A Combined proprietary balance sheet,
June 30, 1955
- B Proprietary balance sheet, Public Service
Enterprises, June 30, 1955
- C Statement of revenues, expenditures and
current surplus, General City, June 30, 1955
- D Statement of revenues, expenses, and surplus,
Public Service Enterprises, June 30, 1955
- E Statement of capital surplus, General City,
June 30, 1955
- F Summary of fixed assets, June 30, 1955
- G Statement of bonded indebtedness, June 30, 1955
- Individual fund balance sheets, June 30, 1955:
 - H Summary
 - I Current funds
 - J Capital
 - K Retirement and other public trust funds
 - L Private trust funds
 - M Assessment and redemption funds
 - M Agency funds
 - N Public Service Enterprises
 - O Reconciliation of proprietary balance sheet with
funds balance sheet, June 30, 1955

SCOPE OF EXAMINATION

Proprietary accounts for the Public Service Enterprises are not maintained in the Office of the Controller but are maintained in the offices of the several enterprises. Examination of these accounts are made by other auditors as follows:

By other independent public accountants:

Municipal Railway of San Francisco
San Francisco Water Department and Hetch Hetchy Project

By the Controller's Utilities Audit Division:

Public Utilities Commission
San Francisco Airport

Our examination of the books and accounts relating to the Office of the Controller was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records maintained in the Office of the Controller and such other auditing procedures as we considered necessary in the circumstances; we did not extend our tests to records of other offices. However, in the preparation of the accompanying combined proprietary balance sheet and the statement of revenues, expenses and surplus of the Public Service Enterprises we have incorporated data from reports of examination made as at June 30, 1955 by other auditors, except that the data covering the Public Utilities Commission included in this report was taken from unaudited statements furnished to us by the Public Utilities Audit Division and the Controller's Office because the audited report of the Public Utilities Commission was not completed at the date of this report.

Also, in the preparation of other phases of this report, we have necessarily incorporated data from reports of examination made as at June 30, 1955 by other auditors as follows:

By other independent public accountants:

San Francisco Unified School District (a separate
political entity)
City and County of San Francisco Employees
Retirement System

By the Controller's General Audit Division:

Cash, securities and accounts of the Treasurer's Office

OPINION

In our opinion, based on the scope of examination previously described, the accompanying financial statements, together with the notes thereto, present fairly the financial position at June 30, 1955 and the results of operations for the year then ended of the City and County of San Francisco and the San Francisco Unified School District, in conformity with generally accepted principles of accounting applied on a basis consistent with that of the preceding year.

Yours very truly,

Lindquist, Von Husen, and Joyce

LINDQUIST, VON HUSEN AND JOYCE

**CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
COMBINED PROPRIETARY BALANCE SHEET**

JUNE 30, 1985

EXHIBIT A

		General City and County			
		Total	Public Service Enterprises	Current Funds	Capital Funds
<u>ASSETS</u>					Real and Personal Assets
<u>FIXED CAPITAL:</u>					
Properties (Exhibit F)	\$69,436,719	\$324,603,357			
Less: Reserve for depreciation	39,064,623	39,064,623			
				\$374,833,362	
					\$374,833,362
<u>CASH:</u>					
On deposit with treasurer	83,336,033	20,636,213		\$36,268,285	\$ 8,592,290
Cash in transit	2,065,911	35		2,065,876	2,065,876
Imprest funds	102,900	52,650		50,250	
	85,504,844	20,688,898		36,318,535	10,658,166
<u>ACCOUNTS RECEIVABLE:</u>					
Taxes receivable, current year	724,612	724,612			
Accounts receivable, prior years	1,668,910	1,668,910			
Penalties	235,477	235,477			
Franchise taxes and interest	831,066	831,066			
Federal and State subventions	2,581,230	2,581,230			
Other accounts receivable	5,954,863	3,997,799			
					1,237,431
	12,208,158	10,241,094		9,003,663	1,237,431
Less reserves for:					
Unsecured delinquent taxes and penalties	2,020,662	2,020,662			
Other accounts receivable	1,339,393	1,287,136			
	3,360,045	3,307,798		3,307,798	
	8,848,113	6,953,296		5,695,865	1,237,431
<u>FEDERAL AID FOR PUBLIC IMPROVEMENTS:</u>					
Grants receivable (estimated)	1,353,678	1,125,478		1,125,478	
Less: Reserve for grants receivable (estimated)	1,353,678	1,125,478		1,125,478	
<u>INVESTMENTS:</u>					
Securities	158,391,554	158,391,554			158,391,554
Other	55,990	55,990			55,990
	158,447,544	158,447,544			158,447,544
	113,950	113,950			113,950
<u>LEASE GUARANTEE AND OTHER DEPOSITS:</u>					
INTERFERED ACCOUNTS (CONTRA)	6,115,010	4,924,811		4,408,160	516,651
<u>DEFERRED CHARGES:</u>					
Materials and supplies	2,279,226	1,273,413		1,005,813	
Other deferred charges	12,351,438	5,768,020		6,591,418	6,591,083
	14,630,664	7,031,433		7,599,231	6,591,083
	\$74,032,221	\$617,668,140		\$47,430,708	\$399,263,690
					\$170,973,742

CITY AND COUNTY OF SAN FRANCISCO

AND

EXHIBIT A

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

COMBINED PROPRIETARY BALANCE SHEET

JUNE 30, 1955

	General City and County				Trust and Assessment Funds
	Total	Public Service Enterprises	Total	Current Funds	Capital Funds
LIABILITIES					
BONDED DEBT:					
Matured	\$ 47,200	\$ 38,200	\$ 9,000	\$ 9,000	
Unmatured (Exhibit a)	179,732,000	94,911,000	84,891,000	330,000	\$ 84,551,000
	<u>179,839,200</u>	<u>94,949,200</u>	<u>84,890,000</u>	<u>339,000</u>	<u>84,551,000</u>
BOND INTEREST:					
Matured	59,337	51,168	7,169	7,169	
Accrued, not due	1,744,877	1,237,989	506,888	506,888	
	<u>1,803,214</u>	<u>1,289,157</u>	<u>514,057</u>	<u>514,057</u>	
ACCOUNTS PAYABLE:					
Accounts and contracts payable	21,161,507	6,593,546	14,567,961	7,711,734	\$ 6,445,234
Outstanding warrants and payroll deductions	5,947,576	1,569,216	4,378,360	2,709,652	291,351
Other accruals and deposits	<u>194,187</u>	<u>194,187</u>			
	27,303,270	8,356,949	18,946,321	10,421,386	<u>6,736,585</u>
INTERFUND ACCOUNTS (CONTRA)	<u>6,115,010</u>	<u>1,744,835</u>	<u>4,370,175</u>	<u>879,166</u>	<u>3,321,325</u>
RESERVES:					
Reserve for accidents	2,836,803	2,836,803			
Other reserves	<u>834,466</u>	<u>701,432</u>	<u>132,974</u>	<u>19,024</u>	<u>113,950</u>
	3,671,269	3,538,235	132,974	19,024	<u>113,950</u>
DEFERRED CREDITS:					
Personal property taxes for year 1955 - 56	5,034,683	5,034,683		5,034,683	
Other deferred credits	<u>1,886,546</u>	<u>386,189</u>	<u>1,500,357</u>	<u>1,500,357</u>	
	6,921,229	386,189	6,535,040	6,535,040	
TRUST AND ASSESSMENT FUND BALANCES	<u>168,901,758</u>		<u>168,901,758</u>		<u>168,901,758</u>
SURPLUS:					
Exhibit					
Public Service Enterprises D	146,099,456	146,099,456			
General city - current C	28,723,035		28,723,035	28,723,035	
General city - capital (not available for meeting general city current expenses) E	304,654,780		304,654,780		304,654,780
	<u>479,477,271</u>	<u>146,099,456</u>	<u>333,377,815</u>	<u>28,723,035</u>	<u>304,654,780</u>
	\$874,032,221	\$56,364,081	\$617,668,140	\$47,430,708	\$399,353,638
					\$170,973,74

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET

JUNE 30, 1955

ASSETS	Total	Adjustments		Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco AirPort	Public Utilities Commission
		Interfund Accounts	Before Adjustments					
<u>FIXED CAPITAL:</u>								
<u>In service</u>	\$314,586,526		\$314,586,526	\$98,022,887	\$41,564,555	\$122,168,618	\$49,196,052	\$3,654,414
Not in service	1,980,185		1,980,185	1,513,169		467,016		
Less: Reserve for depreciation	(99,064,622)		(99,064,622)	(32,577,727)	(24,128,249)	(35,834,651)	(6,974,919)	(1,549,076)
Under construction	217,502,089		217,502,089	66,958,329	17,436,306	800,983	42,221,133	2,085,339
	8,036,645		8,036,645	655,975	37,540	7,245,813	59,516	39,801
	225,539,734		225,539,734	57,614,304	17,473,846	96,046,796	42,279,649	2,124,139
<u>CASH:</u>								
On deposit with Treasurer	20,636,213		20,636,248	6,708,173	3,811,121	7,524,596	2,354,025	238,298
Cash in transit	35							
Imprest funds	52,650		52,650	30,000	15,000	4,000	2,500	1,150
	20,688,898		20,688,898	6,738,173	3,826,156	7,528,596	2,356,525	239,448
<u>ACCOUNTS RECEIVABLE:</u>								
Revenues accrued and other	1,967,064		1,967,064	1,027,212	26,052	292,387	616,330	5,083
receivables	52,247		52,247	16,234			30,930	5,083
Less: Reserve for other receivables	1,914,817		1,914,817	1,010,978	26,052	292,387	585,400	-
	228,200		228,200				228,200	
	228,200		228,200				228,200	
<u>FEDERAL AID FOR PUBLIC IMPROVEMENT:</u>								
Grants receivable, (Estimated)	549,084		549,084	2,779	14,124	66,346	10,774	471,786
Less: Reserve for Grants receivable	641,115		641,115	4,591	12,346	485,092	7,670	113,124
	1,190,199		1,188,632	7,370	26,470	551,438	18,444	584,910
<u>INTERFUND ACCOUNTS:</u>								
Due from General City	1,273,413		1,273,413	483,909	717,846	51,723	8,877	11,058
Due from Public Service	5,758,020		5,785,935	624,203	513,802	4,159,055	471,239	17,636
Enterprises (contra)	(59,375)		(59,375)					
	7,031,433		7,059,348	1,108,112	1,231,648	4,210,778	480,116	28,694
<u>DEFERRED CHARGES:</u>								
Materials and supplies	256,364,081		256,364,081	176,478,937	22,584,172	108,629,995	45,720,134	\$2,977,191
Other deferred charges								
<u>TOTAL ASSETS</u>								

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
PROPRIETARY BALANCE SHEET
JUNE 30, 1955

EXHIBIT B

	Total	Adjustments for Interfund Accounts	Total Before Adjustments	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
LIABILITIES								
BONDED DEBT:								
Unmatured	\$ 94,911,000		\$ 94,911,000	\$16,000,000	\$13,868,000	\$ 51,789,000	\$13,255,000	
Matured and unpaid	38,200		38,200	15,000	200	23,000		
	<u>94,949,200</u>		<u>94,949,200</u>	<u>16,015,000</u>	<u>13,868,200</u>	<u>51,811,000</u>	<u>13,255,000</u>	
BOND INTEREST:								
Accrued, not due	1,237,988		1,237,988	360,000	94,342	744,496	39,150	
Matured and unpaid	51,169		51,169	9,990	2,090	37,851	1,238	
	<u>1,289,157</u>		<u>1,289,157</u>	<u>369,990</u>	<u>96,432</u>	<u>782,347</u>	<u>40,388</u>	
ACCOUNTS PAYABLE:								
Accounts and Contracts Payable	6,593,546		6,593,546	938,224	548,062	4,715,295	382,422	\$ 9,543
Outstanding Warrants and Payroll Deductions	1,569,216		1,569,216	158,716	871,610	356,422	52,618	129,850
Accruals due United States Government	33,400		33,400		33,400			
Accrued payrolls	1,602		1,602		1,602			
Consumers deposits and advances	158,952		158,952	158,243		742		
	<u>8,356,949</u>		<u>8,356,949</u>	<u>1,255,183</u>	<u>1,454,874</u>	<u>5,072,459</u>	<u>435,040</u>	<u>139,393</u>
INTERFUND ACCOUNTS:								
Due to General City	1,110,251	\$ 10,011	1,120,262	127,751	279,335	26,176	528,779	159,221
Due to Public Service Enterprises (Contra)	634,584	(64,549)	628,410	59,681	69,137	13,632	93,942	392,018
	<u>1,744,835</u>	<u>3,937</u>	<u>1,748,672</u>	<u>187,432</u>	<u>348,472</u>	<u>39,808</u>	<u>622,721</u>	<u>550,239</u>
DEFERRED CREDITS								
RESERVES:								
Reserve for accidents	2,836,803		2,836,803		2,836,803			3,391
Other reserves	701,492		701,492	511,822	164,305	21,974		3,391
	<u>3,538,295</u>		<u>3,538,295</u>	<u>511,822</u>	<u>3,001,108</u>	<u>21,974</u>		
Total liabilities	110,264,625	3,837	110,268,462	18,339,427	18,781,396	57,727,588	14,724,823	695,228
SURPLUS (Exhibit D)	146,099,456	6,734	146,121,967	58,139,510	3,802,776	50,902,407	30,995,311	2,281,963
	<u>\$256,364,081</u>	<u>\$ 26,348</u>	<u>\$256,390,429</u>	<u>\$76,478,937</u>	<u>\$22,584,172</u>	<u>\$108,629,995</u>	<u>\$45,720,134</u>	<u>\$2,977,191</u>
TOTAL LIABILITIES AND SURPLUS								

CITY AND COUNTY OF SAN FRANCISCO

(Exclusive of Public Service Enterprises)

ANDSAN FRANCISCO UNIFIED SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Y e a r</u>	<u>E n d e d</u>
	<u>June 30, 1955</u>	<u>June 30, 1954</u>

REVENUES:

Property taxes, penalties, interest and costs	\$ 84,448,841	\$ 76,123,581
State and Federal subventions	43,275,125	42,687,117
Departmental service charges, etc.	7,757,720	6,961,796
Retail purchase and use tax	5,124,681	4,984,922
Fines, forfeitures, and penalties other than from property taxes	2,637,894	2,470,813
Franchise taxes	1,174,220	1,150,018
Licenses	636,810	580,362
Bank interest	507,011	578,940
Rentals from nonoperating school property	356,863	364,083
Housing authority in lieu of taxes	190,569	394,865
Other	86,891	90,099
Transfers from capital accounts	17,427	764,616
Transfers from trust accounts	1,274	--
Profit on sale of land and improvements	51,144	13,497
Capital additions through donations	20,000	20,000
Total revenues	<u>146,286,470</u>	<u>137,184,709</u>

EXPENDITURES:

Departmental operating expenses (adjusted for inventories and other deferred charges):		
General government	9,909,585	9,385,669
Public safety	22,004,766	20,804,800
Highways	3,287,857	3,028,109
Sanitation	3,324,461	3,269,346
Health conservation	2,806,125	2,753,708
Hospitals	7,738,386	7,107,558
Public welfare	22,450,499	22,027,819
Corrections	2,106,164	1,965,756
Schools	32,027,730	31,363,509
Libraries	1,105,315	1,045,452
Recreation	5,580,062	5,419,246
Civil defense	186,730	201,273
Bond interest	1,594,498	1,618,812
Miscellaneous	<u>190,675</u>	<u>(132,412)</u>
Total departmental operating expenses	114,312,853	109,858,645

Other expenditures:

Transfers to capital accounts:		
Capital additions from revenues	5,237,613	5,777,715
Bond redemptions	6,694,000	5,654,000
Others	219,986	657,272
Transfers to trust accounts		<u>659</u>

Forward	\$126,464,452	\$121,948,291
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CITY AND COUNTY OF SAN FRANCISCO
(Exclusive of Public Service Enterprises)

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CURRENT SURPLUS

	<u>Y e a r E n d e d</u>	
	<u>June 30, 1955</u>	<u>June 30, 1954</u>
<u>EXPENDITURES (Continued):</u>		
Amounts forwarded	\$126,464,452	\$121,948,291
Other expenditures (continued):		
Pension costs, Employees' Retirement System	13,761,938	13,527,239
Assessments, Joint Highway Districts No. 9 and No. 10	336,113	99,000
Contribution, Butano Forest purchase	100,000	
Contributions to Public Service Enterprises:		
San Francisco International Airport	1,890,856	1,465,459
Municipal Railway	2,932,848	-
Public Utilities Commission - heat, light and power bureau	145,615	139,379
Loss on sale of fireboats	254,174	
Miscellaneous	<u>(1,375,246)</u>	<u>(1,461,364)</u>
Total expenditures	<u>144,510,750</u>	<u>135,718,004</u>
<u>NET INCREASE IN CURRENT SURPLUS</u>	<u>\$ 1,775,720</u>	<u>\$ 1,466,705</u>
 <u>CURRENT SURPLUS:</u>		
Current surplus as shown at beginning of year, per Controller's report	\$ 26,772,545	\$ 25,127,243
Add: San Francisco Unified School District tuition accrued in preceding year's auditor's reports	<u>174,770</u>	<u>353,367</u>
Current surplus at beginning of fiscal year after auditor's adjustment	26,947,315	25,480,610
Net increase in current surplus as shown above	<u>1,775,720</u>	<u>1,466,705</u>
<u>CURRENT SURPLUS, END OF FISCAL YEAR</u>	<u>\$ 28,723,035</u>	<u>\$ 26,947,315</u>

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
STATEMENT OF REVENUES, EXPENSES AND SURPLUS
JUNE 30, 1955

EXHIBIT D

	Total	Adjustments to Interfund Accounts	Total	Water Department	Municipal Railway	Hetch Hetchy Project	San Francisco Airport	Public Utilities Commission
REVENUES AND EXPENSES								
OPERATING REVENUES	\$ 45,981,959		\$ 45,981,959	\$12,683,906	\$21,087,543	\$ 8,556,289	\$ 2,129,501	\$1,524,720
OPERATING EXPENSES	39,780,023		39,780,023	9,289,482	22,018,205	5,051,129	1,897,487	1,524,720
Operating income or (loss)	6,201,936		6,201,936	3,395,424	(930,662)	3,505,160	232,014	-
OTHER REVENUES:								
Interest earned	35,523		35,523	17,106	18,417			
Rentals	347,332		347,332	320,072	39,201	27,260		
Other	397,262		397,262	241,731	56,618	14,555	102,875	
	780,117		780,117	578,909		41,715	102,875	
OTHER EXPENSES:								
Bond interest	2,835,695		2,835,695	875,664	249,193	1,572,251	138,597	
Other	218,692		218,692	83,724	29,841	16,489	89,638	
	3,054,387		3,054,387	959,388	279,034	1,588,740	227,225	
NET INCOME OR (LOSS)	\$ 3,927,666		\$ 3,927,666	\$ 3,014,945	\$ (1,153,078)	\$ 1,958,135	\$ 107,664	

SURPLUS

Balance, June 30, 1954	\$135,934,477	\$135,934,477	\$55,989,629	\$ 2,040,851	\$46,804,748	\$28,988,020	\$2,111,229
Net income or (loss) as above	3,927,666	3,927,666	3,014,945	(1,153,078)	1,958,135	107,664	
Contributions from General City	4,969,519	4,969,519		2,532,848		1,890,856	145,615
Contributions from Public Service Enterprises			1,030,064		1,030,064		
Contributions from other sources	1,283,251	1,283,251	165,000		1,109,460	8,791	205,753
Other additions	216,595	216,595		10,842			
Adjustments to balance interfund accounts	(22,511)	\$(22,511)					
	<u>147,338,861</u>	<u>(22,511)</u>	<u>147,361,372</u>	<u>59,169,574</u>	<u>3,831,463</u>	<u>50,902,407</u>	<u>30,995,331</u>
Less:							
Contributions to Public Service Enterprises	1,030,064		1,030,064				
Other deductions	209,341		209,341		28,697		20
	<u>1,239,405</u>		<u>1,239,405</u>	<u>1,030,064</u>	<u>28,697</u>		<u>20</u>
							<u>180,634</u>
BALANCE, JUNE 30, 1955	\$146,099,456	\$(22,511)	\$146,121,967	\$58,139,510	\$3,802,776	\$50,902,407	\$30,995,311
							\$2,281,963

CITY AND COUNTY OF SAN FRANCISCOANDSAN FRANCISCO UNIFIED SCHOOL DISTRICTCAPITAL SURPLUSYEAR ENDED JUNE 30, 1955

BALANCE PER BOOKS, JUNE 30, 1954		\$292,487,762
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ADD:

Transfers from current accounts:		
Bond redemptions	\$6,694,000	
Capital additions from revenues	5,237,613	
Others	<u>219,986</u>	12,151,599
Transfers from trust accounts:		
Capital additions - State Highway Trust		22,461
Profit on sale of capital assets:		
San Francisco Unified School District	11,534	
Recreation and Park	<u>31,500</u>	43,034
Parking lot rentals:		
1947 off-street parking bonds		<u>25,034</u>
		304,729,890

DEDUCT:

Capital funds transferred to		
current accounts	17,428	
San Francisco Unified School District		
equipment disposals	<u>57,682</u>	<u>75,110</u>

BALANCE, JUNE 30, 1955		<u>\$304,654,780</u>
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CITY AND COUNTY OF SAN FRANCISCO

AND

TABLE F (CONTINUED)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1955

GENERAL CITY AND SAN FRANCISCO UNIFIED SCHOOL DISTRICT:

Current Year's Additions - Net:

	Total	Land	Structures and Improvements	Equipment
Civic Center, including City Hall	\$ 124,957	\$ 118,372	\$ 21,439	\$ 103,519
Public Safety:				
Fire Department	986,615		917,401	(149,158)
Police Department	163,950		16,599	147,432
Department of Electricity	7,699		287	7,322
Highways:				
Streets, tunnels, bridges, etc.	2,872,464	306,050	2,533,846	32,568
Asphalt plant	400,734		400,734	
Off-street parking	10,732	10,733	(1)	
Sanitation:				
Sewers and sewage disposal plants	1,861,334	7,632	1,831,310	22,392
Street Cleaning Department	39,105			39,105
Health Conservation:				
Hassler Health Home	6,028		643	5,385
Civic Center Health Building	16,522			16,522
Other:	1,324		1,524	
Hospitals:				
San Francisco Hospital	555,672	(18,494)	476,152	99,014
Emergency Hospitals	15,449			15,449
Public Welfare:				
Laguna Honda Home	205,426		131,440	73,986
Welfare Department	4,943			4,943
Corrections:				
County Jails	14,897		14,897	
Juvenile Detention Home - Old	26,220		26,220	
County Jail	18,751		(1,262)	7,051
Juvenile Log Cabin Ranch	(18,751)			(1,489)
Schools	7,472,065	(161,445)	6,847,003	782,507
Libraries	54,708		39,686	15,022
Recreation:				
Playgrounds and swimming pools	1,334,506	6,234	1,285,422	42,850
Museums, art galleries, etc.	219,553		210,013	9,540
War Memorial and Opera House	4,618		615	4,003
Parks and squares	161,922	82,924	64,613	14,385
Auditorium	2,002			1,859
City Parks:				
Kezar Stadium	5,359		5,359	
Other:	91,358		91,358	
Miscellaneous	28,643	(15,405)		44,048
Prior Years' Additions	16,600,103	356,601	14,924,003	1,339,499
Total General City	358,633,629	59,899,436	271,877,327	26,456,296
	\$374,833,362	\$60,236,037	\$286,801,530	\$27,795,795

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SUMMARY OF FIXED ASSETS

JUNE 30, 1955

EXHIBIT F (CONCLUDED)

Total General City

Total

\$374,833,362

PUBLIC SERVICE ENTERPRISES:

Current Year's Additions - Net:

Water Department

Municipal Railway

Hetch Hetchy Project

San Francisco Airport

Public Utilities Commission

1,909,233
(1,648,727)

4,602,832

927,029

168,203

5,958,570

Prior Years' Additions

318,644,787

Total Public Service Enterprises

324,603,357

TOTAL FIXED ASSETS, CITY AND COUNTY OF SAN FRANCISCO

\$699,436,719

CITY AND COUNTY OF SAN FRANCISCOANDSAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1955GENERAL CITY:

Schools:

March 1, 1923, 5%		\$3,600,000	
1948:			
Series A - March 1, 1949, 1 1/4%			
and 1 1/2%		4,900,000	
Series B - April 1, 1951, 1 3/4%		8,466,000	
Series C - March 1, 1952, 1 1/2%		8,080,000	
Series D - December 1, 1952, 1 3/4%		9,500,000	
Series E - August 1, 1953, 2 1/2%			
and 4%		4,480,000	
Series F - March 1, 1954, 1% to 5 3/4%		2,800,000	
Series G - April 1, 1955, 1 3/4% to 6%		<u>4,000,000</u>	\$45,826,000

Juvenile Court and Detention Home:

Series A - August 1, 1948, 1 1/2%			
and 1 3/4%		868,000	
Series B - November 1, 1949, 1% to 1 1/2%		<u>641,000</u>	1,509,000

Boulevards and Roads:

Boulevards and roads, February 1, 1931,			
4 1/2%		180,000	

Street improvement 1947:

Series A - February 1, 1948, 2%		900,000	
Series B - August 1, 1949, 1% to 1 1/2%		1,390,000	
Series C - November 1, 1949, 1% to			
1 1/2%		3,900,000	
Series D - September 1, 1950, 1 1/4%			
and 1 1/2%		638,000	
Series E - March 1, 1952, 1 1/4% and			
1 1/2%		2,175,000	
Series F - December 1, 1952, 1 3/4%		950,000	
Series G - March 1, 1954, 1% to 4%		<u>900,000</u>	11,033,000

Fire Protection:

July 1, 1908, 5%		130,000	
------------------	--	---------	--

Firehouse 1952:

Series A - April 1, 1955, 1 3/4%			
and 6%		<u>1,800,000</u>	1,930,000

Sewers:

December 1, 1933, 4%		705,000	
----------------------	--	---------	--

Sewers 1944:

Series B - February 1, 1948, 2% and			
2 1/2%		4,264,000	

Sewage Treatment 1948:

Series A - August 1, 1949, 1% to			
1 1/2%		5,257,000	
Series B - November 1, 1949, 1% to			
1 1/2%		2,090,000	
Series C - March 1, 1952, 1 1/4% and			
1 1/2%		1,800,000	
Series D - March 1, 1954, 1% to 4%		<u>900,000</u>	\$15,016,000

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICTBONDED INDEBTEDNESSJUNE 30, 1955

Parks and Playgrounds:

Parks and squares, February 1, 1931,

4 1/2%

\$ 280,000

Playgrounds, February 1, 1931, 4 1/2%

40,000

Recreation 1947:

Series A - August 1, 1948, 1 1/2%

and 1 3/4%

1,116,000

Series B - November 1, 1949, 1% to

1 1/2%

890,000

Series C - September 1, 1950, 1 1/4%

and 1 1/2%

1,686,000

Series D - August 1, 1953, 2 1/2% and

4%

2,330,000

Series E - April 1, 1955, 1 3/4% and

5 1/4%

1,100,000 \$ 7,442,000

Other Issues:

Off-street parking 1947:

Series A - March 1, 1952, 1 1/4%

and 1 1/2%

925,000

City Hall and Civic Center:

July 1, 1912, 5%

1,200,000 2,125,000

Total General City

84,881,000

PUBLIC SERVICE ENTERPRISES:

San Francisco Water Department

16,000,000

Hetch Hetchy Water Supply

and Power Project

51,788,000

Municipal Railway of San Francisco

13,868,000

San Francisco International Airport

13,255,000

Total Public Service Enterprises

94,911,000

Total Bonded Indebtedness

\$179,792,000

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS RELATING TO THE OFFICE
OF THE CONTROLLER, FOR THE YEAR ENDED JUNE 30, 1955

NOTE A - Authorized but unissued bonds:

The following is a summary of unissued bonds as at June 30, 1955:

1947 Street Improvement	\$ 6,950,000
1947 Recreation	2,670,000
1947 Off-Street Parking	4,000,000
1948 Sewage Treatment	1,450,000
1948 School	990,000
1952 Firehouse	2,950,000
1954 Sewer	12,645,000
1954 Exhibit Hall	3,275,000
1954 Recreation Center	5,000,000
1954 San Francisco Hospital	5,830,000
1954 Laguna Honda Home and Hospital	5,475,000
Total	<u>\$51,235,000</u>

NOTE B - Unallocated tax appropriations, Employees' Retirement Fund:

For the nine year period ended June 30, 1955, taxes apportioned to the Employees Retirement System for pension costs have exceeded actual costs by \$169,380, as follows:

Excess (net) to June 30, 1954	\$1,064,251
Deduct: Taxes apportioned but not collected nor remitted at June 30, 1954	<u>92,766</u>
Adjusted excess at June 30, 1954	971,485
Deduct: Amount returned during 1954-1955:	
General Fund	\$ 971,485
Recreation and Park	<u>8,600</u>
	<u>980,085</u>
	(8,600)
Add: Taxes apportioned to the Employees Retirement System for the current year	10,618,784
Less: Charges for current and prior service and other costs	<u>10,440,804</u>
	<u>177,980</u>
Balance, June 30, 1955	<u>\$ 169,380</u>

During 1955-1956 the above balance was transferred back to the General Fund in compliance with provisions of Section 80 of the Charter.

NOTE C - Fixed capital properties:

The amount of \$699,436,719 does not purport to represent the cost of properties and equipment presently owned by the City and County. The principal reasons are as follows:

1. A substantial but undetermined portion of expenditures on inter-departmental work orders in progress at the end of the fiscal year (\$2,171,666 at June 30, 1955 and \$2,894,926 at June 30, 1954) is applicable to land, structures or equipment, but such expenditures are not charged to fixed assets until each of the several jobs is completed.
2. An equity of approximately \$681,000 has been acquired in parking meters (including \$34,000 during the year under review) which, together with the balance of \$18,000 owing at June 30, 1955 on meters installed to that date, has not been taken up in the accounts. One-half of the collections from each newly installed meter is paid to the vendor of the meter until such time as the agreed purchase price has been paid in full; the other half of the collections is credited to revenues.
3. Construction contracts in progress, amounting to \$6,445,234 at June 30, 1955 are included under the deferred charge caption on the foregoing balance sheet.
4. Certain of the properties are recorded at appraised values.

NOTE D - Contingent liabilities, suits, claims, etc.:

According to the City Attorney and Counsel for the School District, there were damage suits pending against the City and County and against the School District as at June 30, 1955 aggregating approximately \$25,000,000 and \$100,000 respectively; also there were a large number of claims pending which had not yet resulted in legal action. Included in the claims of \$25,000,000 against the City and

County, were claims aggregating approximately \$18,000,000 against the Municipal Railway for which the Railway has provided a reserve of \$2,837,000. No such reserve has been provided by any of the other departments of the municipality nor by the School District.

In addition, the independent accountant's report for Water Department and Hetch Hetchy Water Supply and Power Project refer to water adjustment claims of \$256,147 which have been fully reserved, contingent liabilities for various property damage, personal injury and water rate suits indeterminate in amount, and a suit pending before a higher court review involving the amount of \$27,300.

The Retirement Board has estimated the reserve requirements at June 30, 1955 for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,246,000. The applicable share has been reserved and included in the statements for all Public Service Enterprises, (excepting the San Francisco International Airport), however no provision has been made by any other department of the municipality. It is the practice of the municipality to provide funds in each annual appropriation ordinance in an amount estimated to be sufficient to meet payments under these claims during the ensuing year.

It is also the practice of the municipality to have an actuarial estimate made once every six years of the amount of the City's unfunded prior service pension costs. These unfunded costs amounted to approximately \$40,500,000 at June 30, 1951, the date of the most recent estimate.

The City and County of San Francisco is contingently liable for the operating expenses and bond interest and redemption charges of the Golden Gate Bridge and Highway District by reason of its participation in the District. The unaudited financial statements of the Bridge District for the year ended June 30, 1955 show:

1. Net income of \$848,489 after provision for bond interest and after an extraordinary charge of \$1,311,583 representing final payment on a contract of \$3,062,216 for a bottom lateral bracing system.

2. Bonds outstanding at June 30, 1955 amounted to \$29,600,000.
These mature as follows:

<u>Years</u>	<u>Amount</u>
1955-1956	\$ 1,600,000
1957-1961	6,000,000
1962-1966	8,000,000
1967-1971	<u>14,000,000</u>
Total	<u>\$29,600,000</u>

3. A sinking fund for retirement of bonded debt amounting at June 30, 1955 to \$6,686,387.
4. That the District will be liable in the sum of \$5,000,000 to the State of California in connection with the new Marin County approach, payable after the present bonded indebtedness of the District shall have been paid.

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
SUMMARY OF FUND BALANCE SHEETS AND ADJUSTMENTS THERE TO
JUNE 30, 1955

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Investments</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$18,905,837	\$ 840,488	\$ 1,125,478		\$16,011,207	\$ 55,536,410	<u>GENERAL CITY AND COUNTY FUNDS:</u>
11,243,823		51,235,000		1,189,280	69,972,173	Current
8,435,551	1,237,090		\$158,447,544	604,951	165,722,620	Capital
7,896,732					2,686,732	Public trusts
12,544	34				12,584	Private trusts
1,121,988					1,121,988	Assessment and redemption
50,506,809	18,083,918	52,360,478	158,447,544	17,805,438	295,052,607	Agency
52,897	187,176					To record:
				50,250		Revolving funds
				157,176		School Department tuition
				18,665		Additional retirement contribution
				169,380		Additional liabilities
					169,380	Unused tax apportionment - Retirement
4,015,938					4,015,938	To reclassify:
85,471,411	18,241,094	52,360,478	158,447,544	17,993,483	299,464,016	Warrants recorded in June, issued in July
						<u>PUBLIC SERVICE ENTERPRISE FUNDS:</u>
7,107,495	298,177			538,543	7,942,215	Hetch Hetchy
6,804,142	1,034,243			72,256	7,630,654	Water Department
2,837,406	30,756			18,393	2,986,155	Municipal Railway
2,884,169	698,234	228,200		11,594	5,146,197	Airport
1,005,448	5,084			588,090	711,622	Public Utilities Commission
18,977,083	1,974,494	228,200		1,258,886	22,418,843	
22,694					52,650	To record:
	(7,430)				(7,430)	Revolving funds
1,290,929					1,290,929	Additional retirement contribution
						Miscellaneous audit adjustments
						To reclassify:
						Warrants recorded in June, issued in July
						Crystal Springs Clubhouse insurance receipt
						For statement purposes - Reserve (in litigation) - Airport
						Advance rental and other miscellaneous receipts, unamortized bond premium, deposits, etc.
25,325,842	1,967,064	228,200		1,238,886	23,754,992	
\$89,746,662	\$12,508,158	\$52,588,678	\$158,447,544	\$19,232,369	\$323,219,008	<u>TOTAL CITY AND COUNTY OF SAN FRANCISCO</u>

<u>Total</u>	<u>Encumbrances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Reserves</u>	<u>Cash Reserves</u>	<u>Trust and Assessment</u>	<u>Unencumbered Appropriations</u>	<u>Proposed</u>
\$ 55,536,410	\$ 3,694,461	\$10,953,216	\$6,400,049	\$3,326,822	\$7,608,254		\$17,281,022	\$ 6,272,500
69,972,173	6,445,234	6,235,986					47,869,104	9,421,949
165,722,620	577,936	74,764				\$165,269,920		
2,686,732	353					2,686,379		
12,684						12,684		
<u>1,151,988</u>	<u>5,993</u>	<u>900</u>				<u>1,118,095</u>		
295,052,607	10,523,977	17,264,766	6,400,049	3,326,822	7,608,254	169,084,078	65,150,126	15,694,838
50,250								50,250
157,176		10,516				18,664	(10,515)	157,176
18,665	28,675	169,380				(169,380)	(28,675)	
169,380								169,380
<u>4,015,938</u>	<u>4,015,309</u>						629	
<u>299,464,016</u>	<u>14,567,961</u>	<u>17,444,662</u>	<u>6,400,049</u>	<u>3,326,822</u>	<u>7,608,254</u>	<u>168,933,362</u>	<u>65,111,565</u>	<u>16,571,341</u>
7,942,215	4,653,989	104,790		1,362,102		1,652,172	169,142	
7,630,654	864,201	164,495		1,622,757		4,727,680	251,521	
2,986,155	548,062	338,839		35		1,456,324	662,895	
3,148,197	383,442	623,180		368,456		1,079,518	693,871	
<u>711,622</u>	<u>9,543</u>	<u>548,255</u>		<u>5,084</u>		<u>146,826</u>	<u>1,134</u>	
22,418,843	6,459,237	1,779,559		3,358,434		9,042,320	1,779,293	
52,650								52,650
(7,430)		8,148					(9,148)	
							(7,430)	
1,290,929	1,290,929			(22,000)				22,000
			337,516	(337,516)				
								(48,673)
<u>23,754,992</u>	<u>7,750,166</u>	<u>1,787,707</u>	<u>386,189</u>	<u>2,998,918</u>			<u>9,026,742</u>	<u>1,805,870</u>
<u>\$323,219,008</u>	<u>\$22,318,127</u>	<u>\$19,232,369</u>	<u>\$6,786,238</u>	<u>\$6,325,740</u>	<u>\$7,608,254</u>	<u>\$168,933,362</u>	<u>\$74,138,307</u>	<u>\$17,876,611</u>

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - CURRENT FUNDS
JUNE 30, 1955

<u>Cash</u>	<u>Receivables</u>	<u>Other Resources</u>	<u>Interfund Accounts</u>	<u>Total</u>	
\$ 3,404,182	\$2,801,024		\$ 979,245	\$ 979,245	General Fund, 1955-1956
233,821	300		5,189,605	11,394,811	General Fund, 1954-1955
159,897	(638)		55,562	289,683	General Fund, prior years
163,113	2,756		432,503	591,762	Recreation and Park
109,483	1,075		3,534	169,403	Library
111,025			6,600	117,158	War Memorial
25,835			424	111,449	California Palace of the Legion of Honor
124,657			2,575	28,410	de Young Museum
61,899				124,657	Publicity and Advertising
3,231,040	405,859		377,656	61,899	Special Election
4,792,660	790,790	\$1,125,478	2,728	4,014,555	Special Road Improvement
209,253	29,427			6,711,656	San Francisco Unified School District
120,440	7,070			238,680	School Cafeteria
10,082,991	628,750			127,510	Child Care Center - State
	246,172			10,711,741	Special Gas Tax Street Improvement
149,133	237,242			246,172	Employees' Retirement - Current
895,934	1,733,143		964,900	1,351,275	Bond Interest and Redemption
734,632			7,232,858	9,861,935	Cash Reserve
5,153			763,017	1,497,649	Emergency Reserve
22,928				5,153	Tax Anticipation Note Interest
274,996	1,203,001			22,928	Embarcadero Widening
	233,333			1,477,997	Capital Improvement
(167,930)	527,183			233,333	Alcoholic Beverage License Subsidy
(171,332)				527,183	Tuberculosis Aid Subsidy
(103,236)				(167,930)	Auditorium
				(171,332)	Firemen's Relief and Pension
				(103,236)	Police Relief and Pension
					Unapportioned Funds:
				1,233	Tax Collector's Taxes
				262	Redemption of Property
				46,485	Delinquent Tax Installments
5,034,683				5,034,683	Assessor's Personal Property Taxes, 1955-1956
<u>\$29,553,237</u>	<u>\$8,846,489</u>	<u>\$1,125,478</u>	<u>\$16,011,207</u>	<u>\$55,536,410</u>	

EXHIBIT I

<u>Total</u>	<u>Encum- brances</u>	<u>Interfund Accounts</u>	<u>Deferred Credits</u>	<u>Cash Reserves</u>	<u>Reserves</u>	<u>Unencumbered Appro- priations</u>	<u>Unappro- priated</u>
\$ 979,245							\$ 979,245
11,394,811	\$2,029,666	\$ 4,050,695	\$1,261,817		\$1,280,246	\$ 2,772,387	
289,683	85,334	97,789	4,500		191	101,869	
591,762	207,679	142,714	50,982		(638)	191,025	
169,403	17,289	54,954			2,756	44,404	50,000
117,158	20,634	20,424			1,075	75,025	
111,449	302	11,147				100,000	
28,410	3,915	12,025				12,470	
124,657	19,145	5,512				100,000	
61,899						50,000	11,899
4,014,555	438,970	802,202				1,787,590	985,793
6,711,656	793,349	1,321,765	86		429,243	1,971,090	2,196,123
238,680		11	1			5,000	233,668
127,510	23,968	14,451			1,175	5,014	82,902
10,711,741	54,210	356,249				8,544,513	1,756,769
246,172		96,253			149,919		
1,351,275		1,100,000			212,972		
9,861,935		1,003,798		\$7,608,254	1,249,883		38,303
1,497,649						1,497,649	
5,153							5,153
22,928						22,928	
1,477,997		1,102,711				58	375,228
233,333		233,333					
527,183		527,183					
(167,930)							(167,930)
(171,332)							(171,332)
(103,236)							(103,236)
1,233			1,233				
262			262				
46,485			46,485				
5,034,683			5,034,683				
<u>\$55,536,410</u>	<u>\$3,694,461</u>	<u>\$10,953,216</u>	<u>\$6,400,049</u>	<u>\$7,608,254</u>	<u>\$3,326,822</u>	<u>\$17,281,022</u>	<u>\$6,272,586</u>

CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT
INDIVIDUAL FUND BALANCE SHEETS - CAPITAL FUNDS
JUNE 30, 1955

EXHIBIT J

Cash	Unsold Bonds	Inter-fund Accounts	Total	Bond Funds:	Total	Encumbrances	Inter-fund Accounts	Unencumbered Appropriations	Unappropriated
\$ 20,912			\$ 20,912	1933 Sewers	\$ 20,912	\$ 84,444	\$ 1,800	\$ 15,157	\$ 3,955
1,561,464			1,561,464	1944 Juvenile Home Court and 1948 Juvenile Home	1,561,464		76,269	910,354	490,397
				Detention Home	41,023		3,000		2,812
41,023			41,023	1947 Street Improvement	8,305,402	427,649	1,514,991	35,911	11,788
8,305,402			8,305,402	1947 Off-Street Parking	4,685,402	653,537	401,868	2,807,819	727,878
2,012,925			4,112,925	1948 Schools	10,661,139	2,500	1,000	1,789,105	2,370,320
8,481,860		\$ 1,189,279	10,661,139	1948 Sewage Treatment	2,359,105	3,841,142	842,710	5,933,193	44,094
1,434,727			2,359,105	1952 Firehouse	4,384,727	126,675	1,509,346	632,245	90,839
370,000			13,015,000	1954 Sewer	13,015,000	54,970	785,584	2,909,616	185,000
56,130			5,866,130	1954 San Francisco Hospital	5,866,130	57	51,200	12,174,872	185,000
434,003			5,909,003	1954 Laguna Honda Home and Hospital	5,909,003		261,370	5,312,279	
220,000			3,485,000	1954 Exhibit Hall	3,485,000		222,400	3,080,100	5,000,000
5,000,000			5,000,000	1954 Recreation Center	5,000,000	192,500			
				Real Property Funds:					
				General City	469,654			46,020	423,634
				San Francisco Unified School District	83,425	79		67,776	15,570
\$ 17,547,894	\$ 53,235,000	\$ 1,189,279	\$ 69,972,173		\$ 69,972,173	\$ 6,445,234	\$ 6,235,886	\$ 47,869,104	\$ 9,421,949

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - RETIREMENT AND OTHER PUBLIC TRUST FUNDS

JUNE 30, 1955

EXHIBIT K

Cash	Receiv- ables	Invest- ments	Inter- fund Accounts	Total	Employees Retirement System	Total	Encum- brances	Inter- fund Accounts	Fund Balances
\$4,037,286	\$1,166,870	\$158,075,772	\$504,951	\$163,884,879	Bequests:	\$163,884,879	\$ 65	\$ 5,614	\$163,879,200
2,447				2,447	Beardlee	2,447			2,447
3,000				3,000	Anderson	3,000			3,000
1,225				1,225	Brunetti	1,319			1,319
8,418			94	8,512	Fallon	59,176			59,176
471	996	50,980		51,457	Fuhrman - Joint Custody	118,539	50	195	118,539
74,695		116,672		191,367	Fuhrman - Library	176,695	531	5,000	176,695
3,236				3,236	Fuhrman - Park	11,731			11,731
1,496	116	8,379		9,991	Hersztein	3,496			3,496
7,687	45	2,000		9,732	Lewis	9,805			9,805
2,728	5	2,073		4,806	Marx	7,733			7,733
8,694		5,000		13,694	McLean	8,694	150		8,694
728				728	Nelson	1,729			1,729
3,197	22	979		4,198	Olsen	48,666			48,666
14,243	469	45,000		59,712	Robinson	18,243			18,243
6,567				6,567	Sharp	6,567			6,567
10,176				10,176	Shetler	1,000			1,000
2,152		5,000		7,152	Steinbrunn	15,176			15,176
119,286	104	100,000		219,390	Stoy	2,152			2,152
66	10	5,000		5,066	Strybing	219,390	3,596		215,794
156		15,000		15,156	Sutro	5,076			5,076
					Winkel	16,321			16,321
344				344	de Young Museum Art Trust	3,310	175		3,310
3,910				3,910	Health Service	351,318		1,639	349,679
351,318				351,318	Infantile Analysis	2,028			2,028
2,028				2,028	Laurel	3,585			3,585
3,585				3,585	Laguna Honda Workshop	1,153			1,153
2,193				2,193	P.P.I.E. Trust	17,886			17,886
2,193	110	15,585		17,886	P.P.I.E. Trust	104			104
104				104	Pan American Society	854			854
1,195				1,195	Police Range	1,195			1,195
					San Francisco Hospital - Children's	259	67		192
					Ward	110			110
259				259	Musicians' Club	132			132
110				110	Social Service	631			631
192				192	Special Alcohol Book Fund	140			140
631				631	Veterans' Hospital	330,546	994		329,552
330,546				330,546	Veterans' Education School	209			209
209				209	Ford Foundation	484,740	312,574		484,740
416,553	68,187			484,740	Arabic Book	7,364			7,364
7,364				7,364	State Highway	165,722,620			165,722,620
					Board of Trustees - Legion of Honor				
\$5,433,035	\$1,237,090	\$158,447,544	\$504,951	\$165,722,620					

CITY AND COUNTY OF SAN FRANCISCO

EXHIBIT L

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS - PRIVATE TRUST FUNDS

JUNE 30, 1955

Cash		Total	Encum- brances	Fund Balances
608	Absent Creditors	\$ 608		\$ 608
19,359	Absent Heirs	19,359		19,359
44,599	Adult Probation Officers' Deposit	44,599		44,599
1,238	Adult Probation Officers' Clearing Account	1,238		1,238
19,820	Coroner's Unclaimed Money	19,820		19,820
43,134	County Clerk Bail	43,134		43,134
434,900	County Clerk Special	434,900		434,900
585	de Young Museum	585		585
15,551	Duplicate Taxes	15,551		15,551
928	Electrical Deposits	928		928
13,134	Jail Stores Deposits	13,134	\$ 12	13,122
15,069	Juvenile Court Deposits	15,069		15,069
1,054	California Palace of the Legion of Honor	1,054		1,054
255	Library Card Deposits	255		255
76,350	Municipal Court Bail	76,350		76,350
24,679	Municipal Court Special	24,679		24,679
1,340	Municipal Court Suspense	1,340		1,340
1,454	Police Department Deposits	1,454		1,454
26,584	Realty Deposits	26,584		26,584
3,350	School Teachers' Sabbatical Leave	3,350		3,350
101,268	Sheriff's Trust	101,268		101,268
1,751	Sheriff's Inmate Welfare Fund	1,751	341	1,410
125	Special Badge	125		125
465	Street Improvement	465		465
215	Street Improvement - Ordinance 1934	215		215
10,148	Sunset Tunnel Assessment Refund	10,148		10,148
51,990	Traffic Court Suspense	51,990		51,990
18,779	Twin Peaks Tunnel Refund	18,779		18,779
56,648	War Bonds	56,648		56,648
752,183	Withholding Tax - General	752,183		752,183
588,633	Withholding Tax - S. F. Unified School District	588,633		588,633
200,639	Withholding Tax - Municipal Railway	200,639		200,639
33,422	F.I.C.A. Taxes - Municipal Railway	33,422		33,422
418	F.I.C.A. Taxes - Redevelopment Agency	418		418
123	F.I.C.A. Taxes - Parking Authority	123		123
164	California Unemployment Insurance Taxes - Redevelopment Agency	164		164
125,770	Voluntary Payroll Deductions	125,770		125,770
<u>\$2,686,732</u>		<u>\$2,686,732</u>	<u>\$353</u>	<u>\$2,686,379</u>

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

INDIVIDUAL FUND BALANCE SHEETS

JUNE 30, 1955

ASSESSMENT AND REDEMPTION FUNDS

<u>Cash</u>	<u>Receiv- ables</u>	<u>Total</u>
\$ 1,302	\$	1,302
4,233		4,233
938		938
3,623		3,623
142		142
64		64
	\$331	331
	9	9
462		462
1,580		1,580
<u>\$ 12,344</u>	<u>\$340</u>	<u>\$ 12,684</u>

AGENCY FUNDS

\$	570,428	\$	570,428	\$	570,428
State Inheritance Tax	539		539		539
Law Library	-		-		-
State Consumers Use Tax	439,315		439,315		439,315
State County Fair	23,440		23,440		23,440
State Fines and Forfeitures	3,003		3,003		3,003
State Sales Tax	22,294		22,294		22,294
State Teachers' Annuity Deposit	37,843		37,843		37,843
State Teachers' Retirement, Permanent	25,126		25,126		25,126
Redevelopment Agency					
\$	570,428	\$	570,428	\$	570,428
539		539		539	
-		-		-	
439,315		439,315		439,315	
23,440		23,440		23,440	
3,003		3,003		3,003	
22,294		22,294		22,294	
37,843		37,843		37,843	
25,126		25,126		25,126	
\$1,121,988		\$1,121,988		\$1,121,988	
\$5,992		\$5,992		\$5,992	
\$1,115,096		\$1,115,096		\$1,115,096	

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC SERVICE ENTERPRISES
INDIVIDUAL FUND BALANCE SHEETS
JUNE 30, 1955

EXHIBIT N

Cash	Receivables	Other Resources	Interfund Accounts	Total	Hetch Hetchy: Operating Bond Interest and Redemption 1947 Water Bonds 1947 Cherry Valley Dam Bonds	Total	Encumbrances	Interfund Accounts	Reserves	Unencumbered Accounts - Unappropriated
\$ 263,272	\$ 296,177		\$ 538,543	\$ 1,097,992	Operating	\$ 1,097,992	\$ 70,007	\$ 66,940	\$ 49,602	\$ 743,082
1,312,500				1,312,500	Bond Interest and	1,312,500			1,312,500	169,391
515,269				515,269	Redemption	515,269				515,126
5,016,454				5,016,454	1947 Water Bonds	5,016,454	2,143			395,994
					1947 Cherry Valley Dam		4,581,839	37,850		771
					Bonds					
7,107,495	296,177		538,543	7,942,215		7,942,215	4,653,989	104,790	1,362,102	1,652,172
					Water Department:					169,162
5,150,212	1,034,243		72,266	6,256,721	Operating	6,256,721	864,201	163,945	262,758	4,714,296
1,360,000				1,360,000	Bond Interest and	1,360,000			1,360,000	251,521
					Redemption					
13,933				13,933	Real Property	13,933		550		13,383
6,524,145	1,034,243		72,266	7,630,654		7,630,654	864,201	164,435	1,622,758	4,727,678
					Municipal Railway:					251,521
2,651,868	30,756		17,719	2,680,343	Operating	2,680,343	546,228	338,838	35	1,332,346
105,158			674	105,812	1947 Municipal Railway	105,812	1,834			103,978
					Renovilitation					
2,937,006	30,756		18,393	2,986,155		2,986,155	548,062	338,838	35	1,436,324
					Airport:					662,896
754,256	608,234		11,594	1,374,084	Operating	1,374,084	9,518	554,449	368,455	4,603
28,542				28,542	Special Aviation	28,542				437,059
34,816				34,816	1947 Airport Bonds	34,816	306,069	57,731		28,542
534,265				534,265	1949 Airport Bonds	534,265	67,855	11,000		384,306
255,000		\$228,200		483,200	Federal Airport Project	483,200				435,410
2,300,169	608,234	228,200	11,594	3,148,197		3,148,197	383,442	623,180	368,455	255,000
					Public Utilities Commission:					228,200
					Operating		9,543	548,255	5,084	693,801
108,448	5,084		598,090	711,622		711,622				146,826
\$18,977,263	\$1,974,494	\$228,200	\$1,238,886	\$22,418,843		\$22,418,843	\$6,459,237	\$1,779,558	\$3,358,434	\$9,042,320
										\$1,779,294

CITY AND COUNTY OF SAN FRANCISCO AND
SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

EXHIBIT Q

JUNE 30, 1955

LIABILITIES AND SURPLUS

	Total	Bonded Debt	Bond Interest	Payable and Encumbrances	Interfund Accounts	Reserves	Deferred Credits	Trust and Assessments Fund Balances	Surplus
PROPRIETARY BALANCE SHEET									
DEDUCT:									
Fixed capital assets	874,032,221	\$179,839,200	\$1,803,214	\$27,303,270	\$ 6,115,010	\$3,671,269	\$6,921,229	\$168,901,758	\$479,477,271
Warrants and payroll deductions outstanding	600,372,096								600,372,096
Bond interest matured - unpaid	5,947,576			5,947,576					
Bonds matured - unpaid	58,337			58,337					
Bonds matured - unpaid	47,200			47,200					
Reserves - securities deposits on leases	113,950					113,950			402
Inventories and deferred charges	14,630,664					(672,500)			14,630,664
Bond interest maturing July 1, 1955		2,009,000		682,286		(2,000,000)			(9,786)
Bonded debt maturing July 1, 1955									(9,000)
Bonded debt and interest maturing									(178,845,591)
Additional claims (Public Service Enterprises)		177,783,000	1,062,591						(178,845,591)
Additional doubtful account reserves				134,309		(35)			(134,274)
Reserves for Workmen's Compensation claims, sick leave, etc.						(134,543)			134,543
Reserves for accident claims						433,339			(433,339)
Additional reserves for refunds - Water Department						2,856,802			(2,856,802)
Other reserves - Water Department						116,555			(116,555)
Reserve for outstanding tokens - Municipal Railway						10,699			(10,699)
Unidentified receipts - suspense appropriations						1,305			(1,305)
Unidentified receipts - Public Service Enterprises							77,007		(77,007)
Accruals due to United States Government - Municipal Railway							57,984		(57,984)
Accrued payrolls - Municipal Railway									(33,400)
Customers' deposits and advances									(1,802)
Total	821,170,225	179,839,200	1,803,214	6,276,072		705,574	134,991		432,411,173
FUND:									
Warrants recorded in June, issued in July, 1955 (Public Service Enterprise)									1,353,678
Accrued payrolls - Public Service Enterprise									51,235,000
Bonds unpaid	1,290,929			1,290,929		3,360,045			
Accrued interest - Public Service Enterprise	4,233,000								
Interfund accounts	13,117,359				13,117,359				
Net work order, budget transfer, etc. adjustments									
Total	70,357,012			1,290,929	13,117,359	3,360,045		31,604	52,557,074
FUND BALANCE SHEET - EXHIBIT R									
	\$23,219,008	--	\$--	\$22,319,127	\$19,232,369	\$6,325,740	\$6,786,238	\$169,933,362	\$99,633,172
									7,608,254
									74,138,307
									17,876,611
									\$99,633,172

EXHIBIT G

CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO UNITED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET

JUNE 30, 1955

PROPRIETARY BALANCE SHEET										
Total		Fixed Capital Assets	Cash	Accounts Receivable	Other Resources	Investments	Deposits	Interfund Accounts	Deferred Charges	
\$874,032,221		\$600,372,096	\$85,504,844	\$ 8,848,113		\$158,447,544	\$113,950	\$ 6,115,010	\$14,630,664	
DEDUCT:										
Fixed capital assets		600,372,096								
Warrants and payroll deductions outstanding		5,947,576	5,947,576							
Bond interest matured - unpaid		58,337	58,337							
Bonds matured - unpaid		47,200	47,200							
Audit adjustments		402	402							
Reserves - securities										
deposits on leases		113,950					113,950			
Inventories and deferred charges		14,630,664							14,630,664	
Total		621,170,225	6,053,515				113,950		14,630,664	
ADD:										
Warrants recorded in June, 1955, issued in July, 1955 (Public Service Enterprises)		1,290,930	1,290,930							
Accounts receivable reserves		4,713,723		3,360,045	\$ 1,353,678					
Bonds unsold		51,235,000			51,235,000					
Interfund accounts		13,117,359						13,117,359		
Total		70,357,012	1,290,930	3,360,045	52,589,678			13,117,359		
FUNDS BALANCE SHEET - EXHIBIT H		\$323,219,008	\$80,742,259	\$12,208,158	\$52,589,678	\$158,447,544	\$	\$19,232,369	\$	

San Francisco Water Department

AND

HETCH HETCHY WATER SUPPLY AND POWER PROJECT

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REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1955

SKINNER & HAMMOND

CERTIFIED PUBLIC ACCOUNTANTS

ONE ELEVEN SUTTER
SAN FRANCISCO 4

September 8, 1955

The Honorable Harry D. Moss, Controller,
City and County of San Francisco
San Francisco, California

Dear Sir:

In accordance with your instructions, and under the terms of an agreement with you dated February 7, 1955, we have examined the combining balance sheet of the Water Department and the Hetch Hetchy Water Supply and Power Project of the City and County of San Francisco as of June 30, 1955, and the related combining statements of revenues and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.

Our report, audit program, and working papers in connection with this examination have been made available to Mr. David F. Supple, consultant and statistician for the Grand Jury.

OPINION

In our opinion, the accompanying combining balance sheet and related combining statements of revenues and expenses and surplus present fairly the financial position of the Water Department and the Hetch Hetchy Water Supply and Power Project at June 30, 1955, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We attach the following:

<u>EXHIBIT A</u>	<u>COMBINING BALANCE SHEET</u>	<u>JUNE 30, 1955</u>
<u>EXHIBIT B</u>	<u>COMBINING STATEMENT OF REVENUES AND EXPENSES</u>	<u>YEAR ENDED JUNE 30, 1955</u>
<u>EXHIBIT C</u>	<u>COMBINING STATEMENT OF SURPLUS</u>	<u>YEAR ENDED JUNE 30, 1955</u>
<u>SCHEDULE 1</u>	<u>COMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENT AND RELATED PROVISIONS FOR DEPRECIATION</u>	<u>JUNE 30, 1955</u>
<u>4 PAGES</u>	<u>NOTES TO FINANCIAL STATEMENTS</u>	<u>JUNE 30, 1955</u>

Very truly yours,

Shinner & Hammond

Certified Public Accountants

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT
COMBINING BALANCE SHEET

JUNE 30, 1955

<u>ASSETS</u>	<u>COMBINED</u>	<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>PROPERTY, PLANT, AND EQUIPMENT (Note 1 and Schedule 1):</u>				
In service:				
Tangible property	\$214,232,962.17		\$94,799,974.29	\$119,432,987.88
Intangible property	5,958,543.00		3,222,913.00	2,735,630.00
Not in service:				
Tangible property	1,980,185.21		1,513,169.47	467,015.84
Less: Provision for depreciation	\$322,171,690.48		\$99,536,056.76	\$122,635,633.72
	66,412,378.52		32,577,128.38	33,834,650.57
	\$159,759,111.55		\$66,958,328.38	\$89,800,989.15
Under construction:	7,901,788.79		655,975.75	7,245,813.04
	\$167,661,100.32		\$67,614,304.13	\$96,046,798.19
<u>CASH:</u>				
On deposit with Treasurer	\$ 14,232,769.15		\$ 6,708,173.01	\$ 7,524,596.14
Revolving funds	34,000.00		30,000.00	4,000.00
	\$ 14,266,769.15		\$ 6,738,173.01	\$ 7,528,596.14
<u>ACCOUNTS RECEIVABLE (Note 2):</u>				
Consumers' accounts	\$ 1,269,632.46		\$ 977,245.35	\$ 292,387.11
Other accounts	49,966.08		49,966.08	
	\$ 1,319,598.54		\$ 1,027,211.43	\$ 292,387.11
Less: Provision for doubtful accounts	16,233.96		16,233.96	
	\$ 1,293,364.58		\$ 1,010,977.47	\$ 292,387.11
<u>DEBTS FROM CITY AND COUNTY OF SAN FRANCISCO:</u>				
Other public service departments	\$ 429,050.56	\$ 60,633.24	\$ 4,591.49	\$ 485,092.31
General departments and funds	22,871.12	45,253.12	2,778.22	66,346.02
	\$ 451,921.68	\$106,886.36	\$ 7,369.71	\$ 551,438.33
<u>DEFERRED CHARGES AND OTHER ASSETS:</u>				
Materials and supplies	\$ 535,631.90		\$ 483,908.90	\$ 51,723.00
Commitments for goods and services not received (contra)	4,725,476.71		569,500.10	4,155,976.61
Deposits and other accounts	87,781.58		54,703.23	3,078.35
	\$ 5,318,890.19		\$ 1,108,112.23	\$ 4,210,777.96
<u>TOTAL ASSETS</u>	<u>\$185,002,045.92</u>	<u>\$106,886.36</u>	<u>\$76,478,936.55</u>	<u>\$108,629,995.73</u>

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT A
CITY AND COUNTY OF SAN FRANCISCO
WATER DEPARTMENT
FRANCISCO WATER SUPPLY AND POWER PROJECT

COMBINED BALANCE SHEET
JUNE 30, 1955

LIABILITIES

PAID UP DEBT (Note 3):
Matured bonds not presented for payment \$ 38,000.00
Matured bonds within year 5,100,000.00
Matured bonds after June 30, 1956 62,000.00
Total \$ 67,838,000.00

BOND INTEREST PAYABLE:
Matured coupons not presented for payment \$ 47,841.25
Due July 1, 1955 985,000.00
Accrued, not due 123,456.42
Total \$ 1,135,237.67

ACCOUNTS PAYABLE AND COMMITMENTS:
Warrants outstanding and payroll deductions payable \$ 515,137.68
Accounts payable 385,270.07
Accounts payable due contractors 144,785.68
Commitments for goods and services not received (contra) 4,226.71
Total \$ 6,165,225.24

CONSUMERS' DEPOSITS AND CONSTRUCTION ADVANCES
\$ 158,094.49

DUE TO CITY AND COUNTY OF SAN FRANCISCO:
Char public service departments \$ 12,679.67
General departments and funds (Note 4) 107,674.47
Total \$ 120,354.14

RESERVES:
Workmen's compensation claims, employees' vacation pay, \$ 244,948.95
and other 296,217.00
Consumers' accounts subject to adjustment (Note 2) 10,699.88
Other \$ 533,795.23

SURPLUS - Exhibit C
\$109,044,916.45

TOTAL LIABILITIES, RESERVES,
PAID UP DEBTS, AND SURPLUS
\$185,409,045.92

	WATER DEPARTMENT	WATER SUPPLY AND POWER PROJECT
\$ 15,000.00	\$ 15,000.00	\$ 23,000.00
1,000,000.00	1,000,000.00	4,100,000.00
1,000,000.00	1,000,000.00	1,000,000.00
\$16,000,000.00	\$16,000,000.00	\$18,100,000.00
\$ 9,990.00	\$ 9,990.00	\$ 39,851.25
360,000.00	360,000.00	623,000.00
\$ 369,990.00	\$ 369,990.00	\$ 785,347.67
\$ 158,715.92	\$ 158,715.92	\$ 356,421.76
346,079.42	346,079.42	37,190.65
144,785.68	144,785.68	15,524.44
569,590.10	569,590.10	35,528.06
\$ 1,088,175.26	\$ 1,088,175.26	\$ 4,557,660.35
\$ 158,242.71	\$ 158,242.71	\$ 5,074,717.08
\$ 782.18		
\$ 59,680.72	\$ 59,680.72	\$ 13,632.19
107,793.45	107,793.45	26,176.04
\$ 167,474.17	\$ 167,474.17	\$ 39,808.23
\$ 244,974.95	\$ 244,974.95	\$ 21,974.05
296,217.00	296,217.00	
10,699.88	10,699.88	
\$ 533,823.78	\$ 533,823.78	\$ 21,974.05
\$58,139,509.93	\$58,139,509.93	\$ 50,902,406.42
\$185,409,045.92	\$185,409,045.92	\$185,409,045.92

The accompanying notes to financial statements are an integral part of this balance sheet.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING STATEMENT OF REVENUES AND EXPENSES

YEAR ENDED JUNE 30, 1955

				<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
	<u>COMBINED</u>	<u>ELIMINATIONS</u>	<u>WATER DEPARTMENT</u>	
<u>OPERATING REVENUES (Note 2):</u>				
Water sales	\$12,683,905.65	\$4,030,000.00	\$12,683,905.65	\$4,030,000.00
Electrical energy sales	<u>4,526,289.21</u>			<u>4,526,289.21</u>
Total Operating Revenues	<u>\$17,210,194.86</u>	<u>\$4,030,000.00</u>	<u>\$12,683,905.65</u>	<u>\$8,556,289.21</u>
<u>OPERATING EXPENSES:</u>				
Standby charge and purchases of water	\$	\$4,030,000.00	\$ 4,030,000.00	\$
Purchases of electrical energy	827,497.49			827,497.49
Production expenses	<u>533,084.45</u>			<u>533,084.45</u>
Source of water supply	450,365.88		450,365.88	
Pumping	405,255.59		405,255.59	
Purification	145,554.47		145,554.47	
Transmission and distribution	2,393,339.51		1,010,519.81	1,382,819.70
Commercial expenses	<u>620,488.45</u>		<u>606,089.33</u>	<u>14,399.12</u>
Administrative and general expenses	1,877,299.94		1,408,979.03	468,320.91
Provision for doubtful accounts	52,912.95		52,912.95	
Provision for depreciation	<u>3,003,811.80</u>		<u>1,178,804.64</u>	<u>1,825,007.16</u>
Total Operating Expenses	<u>\$10,309,610.53</u>	<u>\$4,030,000.00</u>	<u>\$ 9,288,481.70</u>	<u>\$5,051,128.83</u>
	<u>\$ 6,900,584.33</u>		<u>\$ 3,395,423.95</u>	<u>\$3,505,160.38</u>
<u>OTHER REVENUES:</u>				
Gain from sales of properties	\$ 190,717.26		\$ 190,717.26	\$
Rentals received, including crop sales	347,332.05		320,072.36	27,259.69
Interest earned	17,106.19		17,106.19	
Miscellaneous	<u>65,468.29</u>		<u>51,013.18</u>	<u>14,455.11</u>
Total Other Revenues	<u>\$ 620,623.79</u>		<u>\$ 578,908.99</u>	<u>\$ 41,714.80</u>
	<u>\$ 7,521,208.12</u>		<u>\$ 3,974,332.94</u>	<u>\$3,546,875.18</u>
<u>OTHER EXPENSES:</u>				
Interest on bonded debt	\$ 2,447,915.17		\$ 875,663.98	\$1,572,251.19
Agricultural division and crop expenses	63,404.60		63,404.60	
Miscellaneous expense	<u>36,808.72</u>		<u>20,319.17</u>	<u>16,489.55</u>
Total Other Expenses	<u>\$ 2,548,128.49</u>		<u>\$ 959,387.75</u>	<u>\$1,588,740.74</u>
<u>EXCESS OF REVENUES OVER EXPENSES -</u>				
<u>Exhibit C</u>	<u>\$ 4,973,079.63</u>		<u>\$ 3,014,945.19</u>	<u>\$1,958,134.44</u>

The accompanying notes to financial statements are an integral part of this statement of revenues and expenses.

EXHIBIT C

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

COMBINING STATEMENT OF SURPLUS

YEAR ENDED JUNE 30, 1955

	<u>COMBINED</u>	<u>WATER DEPARTMENT</u>	<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT</u>
<u>BALANCE, JUNE 30, 1954</u>	\$102,794,376.33	\$55,989,628.52	\$46,804,747.81
<u>ADDITIONS:</u>			
Excess of revenues over expenses -			
Exhibit B	4,973,079.63	3,014,945.19	1,958,134.44
Advances from Federal government for			
Cherry Valley Reservoir	1,109,460.49		1,109,460.49
Contribution from Crocker Estate Company			
for relocation of Crystal Springs			
Pipeline at Brisbane	<u>165,000.00</u>	<u>165,000.00</u>	
	<u>\$109,041,916.45</u>	<u>\$59,169,573.71</u>	<u>\$49,872,312.74</u>
<u>INTERFUND TRANSFERS:</u>			
Bond redemption and interest on 1947			
Hetch Hetchy Water Bonds applicable			
to properties in service with the			
Water Department:			
Redemption		\$ (973,879.00)	\$ 973,879.00
Interest		(20,176.23)	20,176.23
Adjustment resulting from appraisal of			
properties at June 30, 1953		<u>(36,008.55)</u>	<u>36,008.55</u>
		<u>\$(1,030,063.78)</u>	<u>\$ 1,030,063.78</u>
<u>BALANCE, JUNE 30, 1955</u>	<u>\$109,041,916.45</u>	<u>\$58,139,509.93</u>	<u>\$50,902,426.52</u>

SCHEDULE 1

Page 1

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1955

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>IN SERVICE:</u>		
Tangible property:		
Water Department:		
Land and rights of way	\$ 14,081,619.17	\$
Buildings, structures, and grounds	1,531,715.58	785,965.05
Source of water supply	29,148,317.25	8,262,031.02
Pumping station equipment	1,380,098.01	355,321.22
Purification system	259,404.26	102,144.73
Transmission and distribution system	46,762,367.40	21,803,420.47
General equipment	342,181.39	180,063.64
Automotive equipment	404,036.93	254,136.48
Undistributed interest during construction	890,234.30	310,878.04
	<u>\$ 94,799,974.29</u>	<u>\$32,053,960.65</u>
Hetch Hetchy Water Supply and Power Project:		
Water supply:		
Land and rights of way	\$ 2,700,951.87	\$ 55,580.74
Buildings, structures, and grounds	599,599.25	150,724.82
Source of water supply	102,446,907.83	25,794,205.38
Purification system	37,313.93	26,440.89
General equipment	330,190.70	210,748.84
	<u>\$106,114,963.58</u>	<u>\$26,237,700.67</u>
Power supply:		
Land and rights of way	\$ 143,539.06	\$
Buildings, structures, and grounds	1,900,641.75	1,056,170.09
Hydraulic production plant	8,230,681.75	4,300,707.53
Transmission system	2,696,181.53	2,114,064.51
General equipment	346,980.21	94,226.50
	<u>\$ 13,318,024.30</u>	<u>\$ 7,565,168.63</u>
	<u>\$119,432,987.88</u>	<u>\$33,802,869.30</u>
<u>Total Tangible Property In Service</u>	<u>\$214,232,962.17</u>	<u>\$65,856,829.95</u>
<u>Intangible property:</u>		
Water Department:		
Water rights and other intangible property	\$ 3,222,913.00	
Hetch Hetchy Water Supply and Power Project:		
Water rights and other intangible property	<u>2,735,630.00</u>	
<u>Total Intangible Property In Service</u>	<u>\$ 5,958,543.00</u>	
<u>NOT IN SERVICE:</u>		
Tangible property:		
Water Department	\$ 1,513,169.47	\$ 523,767.73
Hetch Hetchy Water Supply and Power Project	467,015.84	31,781.27
<u>Total Tangible Property Not In Service</u>	<u>\$ 1,980,185.31</u>	<u>\$ 555,549.00</u>
<u>Forward</u>	<u>\$222,171,690.48</u>	<u>\$66,412,378.95</u>

SCHEDULE 1

Page 2

CITY AND COUNTY OF SAN FRANCISCOWATER DEPARTMENTHETCH HETCHY WATER SUPPLY AND POWER PROJECTCOMBINED SUMMARY OF PROPERTY, PLANT, AND EQUIPMENTAND RELATED PROVISIONS FOR DEPRECIATIONJUNE 30, 1955

	<u>PROPERTY, PLANT, AND EQUIPMENT</u>	<u>PROVISIONS FOR DEPRECIATION</u>
<u>Forward</u>	<u>\$222,171,690.48</u>	<u>\$66,412,378.95</u>
<u>UNDER CONSTRUCTION:</u>		
Water Department:		
Sunset supply line	\$ 304,323.82	
Guadalupe by-pass	175,152.26	
Fluoridation plants	43,037.54	
Water mains	29,951.84	
Other	<u>103,510.29</u>	
	<u>\$ 655,975.75</u>	
Hetch Hetchy Water Supply and Power Project:		
Cherry Valley dam	\$ 7,144,656.08	
Sunset supply line	65,960.98	
Other	<u>35,195.98</u>	
	<u>\$ 7,245,813.04</u>	
<u>Total Property Under Construction</u>	<u>\$ 7,901,788.79</u>	
<u>TOTAL PROPERTY, PLANT, AND EQUIPMENT</u>	<u>\$230,073,479.27</u>	<u>\$66,412,378.95</u>

ADDITIONS TO COMBINED PROPERTIESYEAR ENDED JUNE 30, 1955

Water Department:		
Land and rights of way	\$ 45,706.41	
Replace Crystal Springs 44" pipeline	713,909.99	
Recondition Calaveras pipeline	166,952.81	
Replace trestle bents on Niles-Irvington pipeline	21,989.06	
Replace cottage at Crystal Springs	19,594.81	
Water mains, meters, connections, etc.	713,496.12	
Other	<u>94,018.46</u>	
		<u>\$ 1,775,667.66</u>
Hetch Hetchy Water Supply and Power Project:		
Reconstruct Moccasin penstock anchor	\$ 65,037.41	
Reline portion of San Joaquin pipeline No. 1	335,083.54	
Two duplex dwellings at Cherry Valley dam site	23,245.81	
Reconstruct Mather substation	17,435.52	
Transformer bank No. 10 at Moccasin	11,583.83	
Other	<u>44,174.25</u>	
		<u>496,560.36</u>

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

NOTE 1.

Section 128 of the Charter of the City and County of San Francisco provides that the Public Utility Commission make an appraisal of properties and a redetermination of depreciation every five years. All adjustments resulting from these appraisals, beginning with the initial appraisal as of June 30, 1938, and including the most recent appraisal as of June 30, 1953, are reflected in the accounts at June 30, 1955. Additions to properties subsequent to June 30, 1953, have been recorded at cost. Depreciation for the year ended June 30, 1955, is based upon rates as set forth in the appraisal as of June 30, 1953.

Major construction projects in progress at June 30, 1955, have estimated total costs of \$13,880,000.00. Costs to complete these projects, exclusive of amounts representing portions placed in service and construction in progress, are estimated at \$7,013,900.00 at that date.

The total costs of construction of the Cherry Valley Reservoir and appurtenant facilities are estimated at \$14,200,000.00. A portion of the funds necessary for construction is provided by the Federal government under provisions of a contract, dated August 29, 1949, between the Federal government and the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, relating to facilities for additional protection against floods of the Tuolumne River. A further portion of the funds necessary for construction is provided by the City and County of San Francisco under an authorized bond issue of \$4,000,000.00

The funds from the Federal government for the flood protection program under the contract dated August 29, 1949, are estimated in the contract at \$12,000,000.00. By supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District, \$9,000,000.00 of the funds to be received from the Federal government are to be expended toward the construction of Cherry Valley Reservoir and appurtenances, and the remainder of such funds in the amount of \$3,000,000.00 are to be expended toward the construction of a new dam and reservoir at Don Pedro. At June 30, 1955, the Federal government had paid \$8,222,810.72 pursuant to the contract. The payments received have been included in surplus of the Hetch Hetchy Water Supply and Power Project in the fiscal years received, upon advice of the City Attorney. The conditions of the contract with the Federal government are subject, on the part of the government, to the authorization and the appropriation by Congress of funds for the accomplishment of the objectives of the contract. As of July 29, 1953, the amount authorized by Congress was \$10,500,000.00 of which \$8,469,900.00 has been appropriated.

The supplemental agreement between the City and County of San Francisco, Turlock Irrigation District, and Modesto Irrigation District provides generally that title to the Cherry Valley Reservoir will vest in the City and County of San Francisco. This agreement further provides that the City and County of San Francisco will participate in the construction of a new Don Pedro Dam and Reservoir, title to which will vest in the irrigation districts. Participation in the construction of the new dam and reservoir at Don Pedro is subject, on the part of the City and County of San Francisco, to the fiscal provisions of its Charter and prior approval by the electors.

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

NOTE 2.

Revenues from water and power services furnished to consumers are taken into income when billed. In general, major industrial consumers of water and all consumers of electrical energy are billed monthly. All other consumers of water are billed bi-monthly.

The combining statement of revenues and expenses, Exhibit B, attached, does not include recorded revenue from water delivered to Municipal Departments without charge, which, if billed at regular rates, would have resulted in additional revenue of \$739,564.57 to the Water Department, nor does the statement include a charge of an equal amount for municipal tax expense which is also reflected on the records of the Water Department. This amount of \$739,564.57 was computed and recorded in token of compliance with Section 64 of the Charter which provides that the accounts of each utility shall be maintained in such manner as to reflect estimates of the amount of taxes chargeable against property and the revenue of the utility if the latter were privately owned and operated.

Certain consumers entered into contracts with the Spring Valley Water Co. which contracts entitled these consumers to water at reduced rates or free of charge. These contracts were assumed by the Water Department upon acquisition of that Company's facilities by the City and County of San Francisco. Based upon a legal opinion by the City Attorney that these contracts were illegal and unenforceable, the Water Department billed these consumers additional amounts representing the difference between the contract rates and scheduled rates as applied to water delivered under these contracts during the period November 17, 1950, to June 30, 1955. Certain of these consumers filed claims against the City and County of San Francisco contesting the legality of the cancellation of these contracts, and for damages resulting therefrom.

Reserves aggregating \$256,147.00 have been established by the Water Department to fully provide for possible adjustments of these additional charges. No provision has been made on the attached balance sheet for damages resulting from cancellation of these contracts, if any.

NOTE 3.

The combined bonded debt of the City and County of San Francisco applicable to the San Francisco Water Department and the Hetch Hetchy Water Supply and Power Project aggregated \$67,826,000.00 at June 30, 1955. This indebtedness was incurred upon the general faith and credit of the City and County of San Francisco and is summarized as follows:

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

	<u>MATURED</u>	<u>UNMATURED</u>	<u>TOTAL</u>
<u>WATER DEPARTMENT:</u>			
Spring Valley, July 1, 1928 - 4-1/2%	\$15,000.00	\$16,000,000.00	\$16,015,000.00
<u>HETCH HETCHY WATER SUPPLY AND POWER PROJECT:</u>			
Water, July 1, 1910 - 4-1/2%	5,000.00	10,000,000.00	10,005,000.00
Hetch Hetchy Water, January 1, 1925- 5%	2,000.00	3,500,000.00	3,502,000.00
Hetch Hetchy, July 1, 1928 - 4-1/2%		13,800,000.00	13,800,000.00
Hetch Hetchy, June 1, 1932 - 2-3/4% to 5-3/4%	11,000.00	3,100,000.00	3,111,000.00
1947 Hetch Hetchy Water:			
Series A, February 1, 1948 - 2% and 2-1/2%	5,000.00	4,875,000.00	4,880,000.00
Series C, March 1, 1949 - 1-1/4%		750,000.00	750,000.00
Series D, November 1, 1949 - 1% to 1-1/2%		6,952,000.00	6,952,000.00
Series E, September 1, 1950 - 1-1/4% and 1-1/2%		3,676,000.00	3,676,000.00
Series F, August 1, 1953 - 2-1/4% to 6%		1,585,000.00	1,585,000.00
1949 Cherry Valley Dam:			
Series A, March 1, 1952 - 1-1/4% and 1-1/2%		850,000.00	850,000.00
Series B, December 1, 1952 - 1-1/2% and 1-3/4%		2,700,000.00	2,700,000.00
	<u>\$28,000.00</u>	<u>\$67,788,000.00</u>	<u>\$67,826,000.00</u>

In general, the bonds mature serially in varying annual amounts through the fiscal year ending June 30, 1978. A summary of maturities for the succeeding five years follows:

YEAR ENDING
JUNE 30,

1956	\$5,217,000.00
1957	4,973,000.00
1958	4,972,000.00
1959	4,972,000.00
1960	4,972,000.00

CITY AND COUNTY OF SAN FRANCISCO

WATER DEPARTMENT
HETCH HETCHY WATER SUPPLY AND POWER PROJECT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

NOTE 4.

Amounts due to general departments and funds of the City and County of San Francisco aggregating \$107,674.47 include an estimated liability of \$45,389.34 to the Employees' Retirement System for contributions due thereto as of June 30, 1955, together with accounts payable to the Retirement System for certain medical and operating expenses. The actual liability at June 30, 1955, for the aforementioned contributions was not determinable at the date of this report.

NOTE 5.

Prior to the year ended June 30, 1955, the Water Department acted as self-insurer against casualty losses of property; against public liability, property damage, and workmen's compensation claims; and against other losses, excluding boiler explosion, burglary, plate glass and automobile public liability and property damage losses. During the fiscal year ended June 30, 1955, the Department purchased coverage from an insurance carrier against casualty losses of buildings with the exception of certain buildings having nominal values. As of the date of this report, the Department had entered into negotiations to purchase coverage from insurance carriers against public liability and property damage claims.

Prior to the year ended June 30, 1955, the Hetch Hetchy Water Supply and Power Project acted as self-insurer against casualty losses of property; against workmen's compensation claims; and against other losses, excluding public liability and property damage losses. During the fiscal year ended June 30, 1955, the Department purchased coverage from an insurance carrier against casualty losses of buildings with the exception of certain buildings having nominal values.

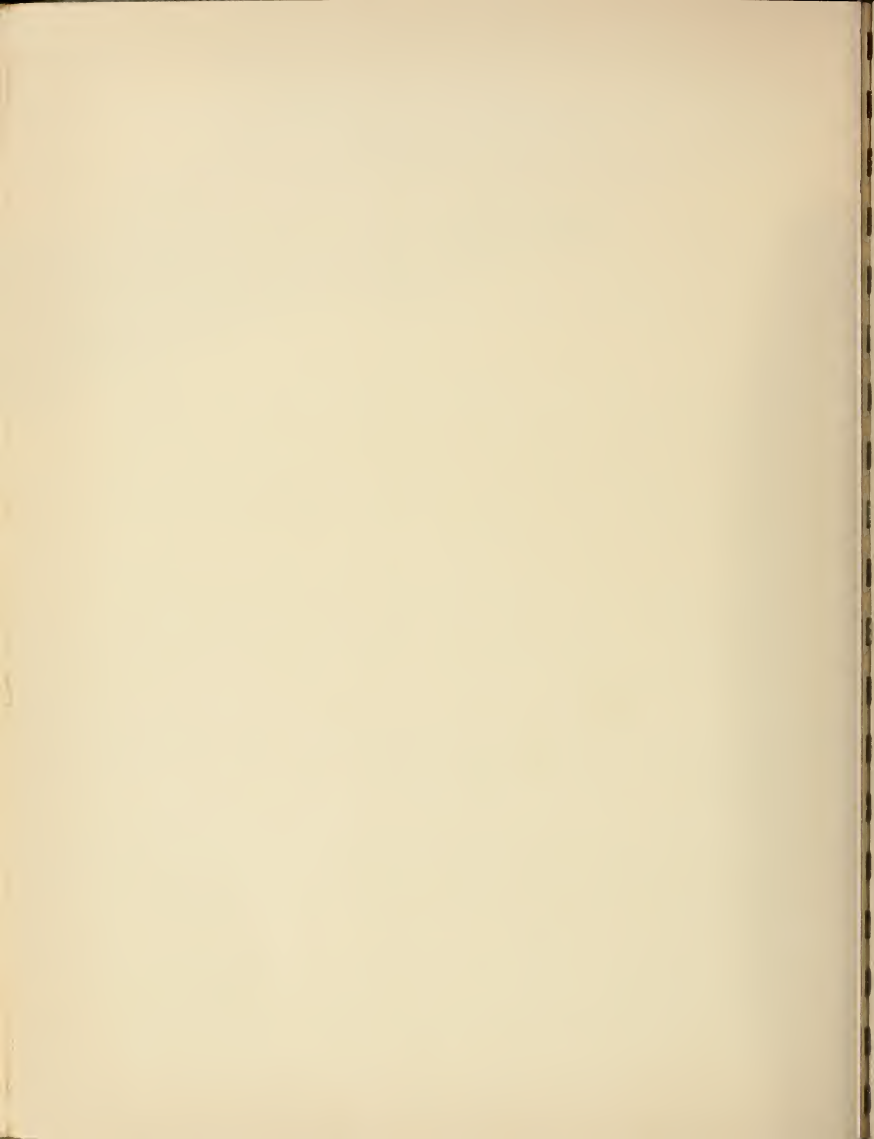
NOTE 6.

Under provisions of Section 122 of the Charter of the City and County of San Francisco, the Hetch Hetchy Water Supply and Power Project is to be merged, upon its completion, with the Water Department. In the opinion of the City Attorney, this project had not been completed at June 30, 1955.

NOTE 7.

The San Francisco Water Department was contingently liable as of June 30, 1955, under various property damage, personal injury, and water rate suits. The Hetch Hetchy Water Supply and Power Project was contingently liable as of June 30, 1955, under various suits for alleged damages to wells and springs. The aggregate amount of actual liability on these suits is indeterminable as of the date of this report.

The Federal government filed an action against the City and County of San Francisco, which held that the latter was liable for the sum of \$27,313.32 representing costs of road maintenance chargeable to Hetch Hetchy Water Supply and Power Project under the provisions of the Raker Act. As of the date of this report, a writ of certiorari is pending before the United States Supreme Court.



Municipal Railway of San Francisco



REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1955

BARLOW, DAVIS & WOOD

CERTIFIED PUBLIC ACCOUNTANTS

HOBART BUILDING
582 MARKET STREET
SAN FRANCISCO 4
GARFIELD 1-2992

Honorable H. D. Ross,
Controller, City and
County of San Francisco
San Francisco, California

Dear Sir:

We have examined the balance sheet of the Municipal Railway of San Francisco as of June 30, 1955 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We now submit our report on the examination consisting of our comments on operations and on the balance sheet together with related statements as set forth in the index appended hereto.

RESULTS OF OPERATIONS

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results. Much of the statistical data contained in these comments has been obtained from records maintained by the Railway without verification by us.

The operations of the Railway for the year ended June 30, 1955 resulted in a loss of \$1,153,078.19 as compared with a loss of \$882,472.90 for the preceding year. A condensed summary and comparison of the results of operations for the years ended June 30, 1955 and 1954, is as follows (cents omitted):

	<u>Year ended June 30,</u>		<u>Increase</u>
	<u>1955</u>	<u>1954</u>	<u>(Decrease)</u>
Operating income:			
Passenger revenue	\$20,898,346	\$21,976,748	\$(1,078,402)
Advertising, rents, etc.	189,197	160,877	28,320
Total operating income	<u>21,087,543</u>	<u>22,137,625</u>	<u>(1,050,082)</u>
Operating expenses	<u>22,018,205</u>	<u>22,682,179</u>	<u>(663,974)</u>
Loss from operations	930,662	544,554	386,108
Other income	44,324	24,498	19,826
Remainder	<u>886,338</u>	<u>520,056</u>	<u>366,282</u>
Other expense	266,740	362,417	(95,677)
Loss for the year	<u>\$ 1,153,078</u>	<u>\$ 882,473</u>	<u>\$ 270,605</u>

The decrease in passenger revenue was largely attributable to a decrease in the number of fare passengers carried. The basic cash fare of fifteen cents remained unchanged during the year except for the five cent Shoppers' Shuttle Bus service, with no transfer privilege. This service was put into effect on September 14, 1953 in the downtown area between the hours of 10:00 A.M. and 3:30 P.M. on weekdays and was extended to the "Mission Miracle Mile" on November 17, 1954.

The following summary, taken from statistical records of the Railway, shows the mileage traversed during the past two years by the various types of equipment.

Type of equipment	Year ended June 30,				Increase (Decrease) Mileage
	1955		1954		
	Mileage	Per Cent of total	Mileage	Per Cent of total	
Motor coaches	13,910,957	48.98	14,777,994	49.97	(867,037)
Trolley coaches	9,950,268	35.04	9,966,056	33.69	(15,788)
Electric street cars	4,051,040	14.26	4,039,163	13.66	11,877
Cable cars	488,944	1.72	792,261	2.68	(303,317)
Totals	28,401,209	100.00	29,575,474	100.00	(1,174,265)

The hours the various types of equipment were operated, as compiled by the Railway, are shown by the following summary:

Type of equipment	Year ended June 30,				Decrease Hours
	1955		1954		
	Hours	Per Cent of total	Hours	Per Cent of total	
Motor coaches	1,410,430	45.16	1,486,362	45.81	75,932
Trolley coaches	1,190,071	38.10	1,190,709	36.70	638
Electric street cars	428,836	13.73	428,885	13.22	49
Cable cars	94,041	3.01	138,343	4.27	44,302
Totals	3,123,378	100.00	3,244,299	100.00	120,921

The overall reduction in both miles traveled and hours operated results primarily from the discontinuance of certain lines and the curtailment of service on various routes during off-peak hours.

Operating income and expenses are expressed in cents per mile traversed as follows:

	Cents Per Mile		
	Year ended 1955	June 30, 1954	Increase (Decrease)
Operating income:			
Passenger revenue	73.583	74.307	(.724)
Advertising, rents, etc.	<u>.666</u>	<u>.544</u>	<u>.122</u>
Total operating income	<u>74.249</u>	<u>74.851</u>	<u>(.602)</u>
Operating expenses:			
Maintenance and repairs:			
Ways and Structures	2.466	2.548	(.082)
Equipment	<u>7.837</u>	<u>7.575</u>	<u>.262</u>
Total maintenance and repairs	10.303	10.123	.180
Power	7.640	7.805	(.165)
Conducting transportation	38.707	38.464	.243
General and miscellaneous	8.530	7.912	.618
Payroll taxes	<u>.727</u>	<u>.682</u>	<u>.045</u>
	65.907	64.986	.921
Provision for accident claims	5.519	5.573	(.054)
Provision for depreciation	<u>6.100</u>	<u>6.134</u>	<u>(.034)</u>
Total operating expense	<u>77.526</u>	<u>76.693</u>	<u>.833</u>
Loss from operations	<u>3.277</u>	<u>1.842</u>	<u>1.435</u>

Operating income and expenses are expressed in dollars per hour of operation as follows:

	Dollars Per Hour		Increase (Decrease)
	Year ended June 30, 1955	1954	
Operating income:			
Passenger revenue	6.691	6.774	(.083)
Advertising, rents, etc.	<u>.061</u>	<u>.049</u>	<u>.012</u>
Total operating income	<u>6.752</u>	<u>6.823</u>	<u>(.071)</u>
Operating expenses:			
Maintenance and repairs:			
Ways and structures	.224	.232	(.008)
Equipment	<u>.713</u>	<u>.691</u>	<u>.022</u>
Total maintenance and repairs	.937	.923	.014
Power	.695	.711	(.016)
Conducting transportation	3.520	3.507	.013
General and miscellaneous	.775	.721	.054
Payroll taxes	.066	.062	.004
	<u>5.993</u>	<u>5.924</u>	<u>.069</u>
Provision for accident claims	.502	.508	(.006)
Provision for depreciation	<u>.555</u>	<u>.559</u>	<u>(.004)</u>
Total operating expense	<u>7.050</u>	<u>6.991</u>	<u>.059</u>
Loss from operations	<u>.298</u>	<u>.168</u>	<u>.130</u>

The following summarizes the decrease in operating expenses for the year ended June 30, 1955 as compared with the preceding year, displaying the major expense classifications segregated between payroll and other costs (cents omitted):

	Increase (Decrease) In Operating Expenses		
	Total	Payroll	Other
Maintenance and repairs:			
Ways and structures	\$(53,132)	\$(9,839)	\$(43,293)
Equipment	(14,613)	31,697	(46,310)
	(67,745)	21,858	(89,603)
Power	(138,288)	6,253	(144,541)
Conducting transportation	(382,699)	(386,963)	4,264
General and miscellaneous	82,658	42,740	39,918
Payroll taxes	4,868		4,868
	(501,206)	(316,112)	(185,094)
Provision for accident claims	(80,887)		(80,887)
Provision for depreciation	(81,881)		(81,881)
(Decrease) in operating expenses	<u>\$(663,974)</u>	<u>\$(316,112)</u>	<u>\$(347,862)</u>

The decrease of \$386,963 in conducting transportation payroll expense consists of a decline in operators' wages of \$395,373 less an increase in other salaries and wages totaling \$8,410. The reduction in operators' wages has been analyzed as follows:

Decreases:

Decline in operations, determined by applying percent of decrease in equipment operating hours against 1953-54 total wages paid as to each equipment classification	\$ 377,000
Change from two-man to one-man operation of certain street car runs starting in September, 1954 - 114,839 hours at \$1.894 per hour (1953-54 rate)	218,000
	<u>595,000</u>

Increases:

Operators' wage rate increase of 1.85%	\$ 159,000
Balance, reason undetermined	<u>40,627</u>
	199,627
Net decrease	<u>\$ 395,373</u>

The increases in other payroll costs resulted primarily from the increases in pay rates effective July 1, 1954. Comparative rates for some of the principal payroll classifications for the year under review and for the preceding year follow:

Rates Effective

<u>Classification</u>	<u>Per</u>	<u>July 1, 1954</u>	<u>July 1, 1953</u>
Platform men	Hour	\$ 1.939	\$ 1.894
Trackmen	Day	16.40	16.00
Shop mechanics	Day	17.17	17.00
Senior shop mechanics	Day	20.20	20.00
Automotive mechanics	Week	98.50	94.50
Automotive machinists	Week	103.50	99.50
Car cleaners and janitors	Month	255-305	245-295
Inspectors	Month	360-410	350-400
General clerks	Month	265-325	260-320

Power costs other than payroll show a decrease of \$144,541 from the preceding year of which \$121,078 is accounted for by a decline in motor coach gasoline and diesel fuel costs resulting primarily from a 5.87% decrease in miles of operation and a gasoline price reduction of 5.35%.

FINANCIAL CONDITION

Presented below is a summary of the Railway's balance sheet with comparative amounts at June 30, 1954.

	<u>June 30,</u>		<u>Increase</u>
	<u>1955</u>	<u>1954</u>	<u>(Decrease)</u>
ASSETS:			
Fixed capital			
(Net book value)	\$17,473,845.98	\$19,124,321.49	\$(1,650,475.51)
Cash	3,826,156.46	2,124,372.62	1,701,783.84
Accounts receivable	52,520.93	76,827.22	(24,306.29)
Deferred charges:			
Materials and			
supplies	717,846.56	746,433.26	(28,586.70)
Other items	17,764.58	42,015.34	(24,250.76)
Commitments	496,037.26	115,918.77	380,118.49
TOTAL	<u>\$22,584,171.77</u>	<u>\$22,229,888.70</u>	<u>\$ 354,283.07</u>
LIABILITIES AND SURPLUS:			
Bonded debt	13,868,200.00	15,498,200.00	(1,630,000.00)
Bond interest payable	96,431.88	104,842.08	(8,410.20)
Accounts payable, commitments, etc.	1,803,345.51	1,484,714.74	318,630.77
Reserves	3,001,108.25	3,086,549.90	(85,441.65)
Deferred credits	12,310.10	14,730.10	(2,420.00)
Contributed surplus	11,273,765.21	8,340,917.62	2,932,847.59
Deficit from operations	(7,470,989.18)	(6,300,065.74)	(1,170,923.44)
TOTAL	<u>\$22,584,171.77</u>	<u>\$22,229,888.70</u>	<u>\$ 354,283.07</u>

The increase in cash as of June 30, 1955, as compared with June 30, 1954, is explained by the following summary of funds provided and funds applied:

Funds provided:

From income before deducting charges which do not represent the expenditure of cash	\$ 634,797.34
(Represented by the net loss for the year of \$1,153,078.19 offset by non-cash charges for depreciation, \$1,732,383.04; fixed capital assets retired, \$54,436.73 and obsolescence of materials and supplies, \$1,055.76)	
Decrease in construction work in progress	100,614.18
Decrease in accounts receivable - net	24,306.29
Decrease in materials and supplies (net of \$26,033.44 write-off to deficit from operations of metal token inventory - Exhibit "C" and valuation adjustment of \$1,055.76 charged to operations - see above)	1,497.50
Decrease in deferred charges	24,250.76
Contributions from General Fund of the City and County of San Francisco:	
From general taxes for operating expenses	2,077,027.59
From unappropriated balance for rearrangement of cable car lines	855,820.00
Prior year adjustment by Controller	<u>5,816.63</u>
	<u>3,724,130.29</u>

Funds applied:

Additions to fixed capital assets	\$ 236,565.61	
Redemption of bonded indebtedness	1,630,000.00	
Decrease in bond interest payable	8,410.20	
Decrease in accounts payable	61,487.72	
Decrease in reserves:		
Accident claims	73,476.66	
Employees' compensation claims	7,000.00	
Token liability (net of \$4,632.33 write-off charged to deficit from operations - Exhibit "C")	332.66	
Decrease in deferred credits	2,420.00	
Payment of retroactive vacation pay - Exhibit "C"	<u>2,653.60</u>	<u>2,022,346.45</u>

Increase in cash as of June 30, 1955	<u><u>\$1,701,783.84</u></u>
--------------------------------------	------------------------------

Road and Equipment - \$41,564,555.12
Accumulated Depreciation - \$24,128,249.12

The recorded value of the Railway's investment in fixed assets, other than construction work in progress at June 30, 1955, is set forth in the accompanying Schedule "1". The related depreciation is shown in Schedule "2".

A substantial portion of the fixed assets is recorded in the accounts at appraisal valuations as of various dates determined by the Public Utilities Commission of the City and County of San Francisco.

Properties acquired prior to June 30, 1938 are recorded at appraisal valuations as of that date. Additions to property, subsequent to June 30, 1938, are recorded substantially at cost with the exception of the Market Street Extension which was recorded at the appraisal valuations as of September 29, 1944. Properties acquired from California Street Cable Railway Company were purchased with general funds of the City and County of San Francisco for \$150,000.00 and contributed to the Railway.

In accordance with Section 128 of the Charter, an appraisal of the properties of the Railway was made as at June 30, 1953 to determine the values, the probable useful life, and the reasonable annual depreciation based upon a revision of the previous appraisal made as at June 30, 1948. The net adjustments to the recorded costs and depreciation reserves resulting from this appraisal were recorded during the preceding fiscal year. However, certain corrections, as reflected by Schedules "1" and "2", were made during the current year.

The engineering report made by the Public Utilities Commission engineers in connection with the appraisal indicated that the recorded cost of non-operated track, roadway, and underground conduit at June 30, 1953, all fully depreciated, amounted to \$2,497,988.49. During the two ensuing years ending June 30, 1955, assets and related accumulated depreciation included in the above have been retired in the amount of \$1,750,488.91, leaving a balance at June 30, 1955 of \$747,499.58.

It is the practice of the Railway to make its first provision for depreciation of an addition to fixed assets in the year following that in which the asset is put in service, and to charge income with a full year's provision in the year of retirement.

Additions to road and equipment during the year ended June 30, 1955 are as follows:

Ways and structures:

Rehabilitation of 24th and Utah shops		\$165,605.30
Rearrangement and relocation of pole facilities:		
13th Street at freeway ramp	\$13,380.20	
Folsom Street between 14th and 16th Streets	<u>12,480.25</u>	25,860.45
Reconstruction of curves at San Jose and Ocean Avenues and installation of permanent overhead for trolley		15,458.18
Replacement of switches and tracks at various locations		9,704.93
Other		<u>1,527.46</u>
		218,156.32

Equipment:

Activation of 40 cars and conversion of 15 cars to one-man operations	16,944.70	
Shop equipment	<u>1,464.59</u>	<u>18,409.29</u>
TOTAL		<u>\$236,565.61</u>

The following is a summary of recorded retirements during the year ended June 30, 1955:

	<u>Road and equipment</u>	<u>Depreciation to date of retirement</u>
Ways and structures:		
Right of ways:		
Parcel #2 - Chenery Street near Diamond Street	\$ 1,000.00	\$
Parcel #3 - Diamond Street near Chenery Street	300.00	
Parcel #4 - Chenery Street near Carrie Street	10.00	
Land at Turk and Webster Streets	30,100.00	
Building at Turk and Webster Streets	15,740.00	15,740.00
Tracks, etc.:		
Cable tracks on Pine Street between Jones and Hyde Streets	467,199.00	463,125.69
Greenwich Street, Steiner to Lyon Streets; Union Street, Van Ness Avenue to Baker Street; Steiner Street, Union to Greenwich Streets; Baker Street, Union to Greenwich Streets	253,933.14	246,937.57
Onondaga Avenue, Mission Street to Ocean Avenue; Ocean Avenue, Onondaga to San Jose Avenues; San Jose Avenue, Niagara Avenue to County line; Brighton Avenue, Ocean to Grafton Avenues	220,463.35	219,456.57
Geary Boulevard, 33rd to 48th Avenues; 48th Avenue, Geary Boulevard to Point Lobos	127,217.66	126,874.82
Fourth Street from Market Street to Townsend Street	116,204.60	115,651.15
Switches replaced with straight track at various locations	9,343.44	9,168.39
Roadway machinery and tools - various locations (determined by physical inventory as not on hand)	15,036.67	14,298.11
Trolley poles at various locations	12,511.11	11,885.55
Overhead lines at various locations other than those included under "Track, etc.", above	29,598.63	25,158.83
Waiting station	351.80	351.80
	<u>1,299,009.40</u>	<u>1,248,648.48</u>
Equipment:		
Fourteen cable cars	154,969.50	154,969.50
Twenty-four motor coaches	244,483.64	241,281.84
Miscellaneous shop equipment - various locations (determined by physical inventory as not on hand)	29,450.80	28,627.79
Truck	1,031.00	980.00
	<u>429,934.94</u>	<u>425,859.13</u>
TOTAL RETIREMENTS	<u>\$1,728,944.34</u>	<u>\$1,674,507.61</u>

Cash - \$3,826,156.46

Cash at June 30, 1955 consisted of the following:

On deposit with the Treasurer of the City and County of San Francisco:	
Operating fund	\$3,703,146.65
1947 Municipal Railway Rehabilitation bond fund	105,719.81
Bond interest funds:	
1947 Municipal Railway Rehabilitation bond fund	1,810.00
Issue of December 1, 1913	280.00
Bond redemption fund - Issue of December 1, 1913	200.00
Total on deposit with Treasurer	<u>3,811,156.46</u>
Revolving funds	15,000.00
Total cash	<u>\$3,826,156.46</u>

We examined a copy of the Treasurer's report reconciling the Treasurer's balances of the Operating fund and the 1947 Municipal Railway Rehabilitation bond fund at June 1, 1955, with the balances reflected by the Railway's books at June 30, 1955. The detail of warrants outstanding used in the Treasurer's reconciliation was determined by reference to the Controller's records. Warrants paid subsequent to June 30, 1955 were examined by us. We also examined originals and copies of warrants issued during the year on a test basis and compared them with the records of warrants issued as maintained by the Railway.

Revolving fund bank accounts were reconciled by us with amounts certified to us directly by the depositories, and cash funds were counted or confirmations were obtained from custodians for amounts shown to be in their possession.

Accounts Receivable - \$26,051.57

Following is the detail of accounts receivable as of June 30, 1955:

Fielder, Sorensen & Davis (advertising revenue)	\$ 16,799.70
San Francisco Unified School District (charter services)	5,012.86
Pacific Gas & Electric Company (pole rental)	2,859.00
Henry Doelger Builder, Incorporated (subsidy for #76 line)	1,200.00
Other	180.01
Total	<u>\$ 26,051.57</u>

The balance with Fielder, Sorenson & Davis was confirmed by direct communication with the debtor. The remaining balances with the exception of the "Other" group above were verified by reference to the debtor remittance advices in July and August, 1955. It appears that no losses will be incurred in the collection of any balances outstanding at June 30, 1955.

Materials and Supplies - \$717,846.56

This balance consists of the aggregate book value of the inventories of materials and supplies totaling \$717,845.56, plus metal tokens at the nominal valuation of \$1.00.

The amount of materials and supplies inventories was determined by a tabulation of perpetual inventory records as of May 25, 1955, adjusted for subsequent receipts and issues to June 30, 1955. We were informed that physical counts were made by employees at various times during the year and that the perpetual inventory records were adjusted to such counts. Our review of the perpetual inventory records showed certain evidence to that effect. These inventories were priced at cost, determined by a moving average, or at estimated scrap or useful value if less than cost.

Metal tokens have heretofore been carried in the books at an amount of \$26,034.44 which we understand represented the original cost of certain token purchases. Owing to the fact that metal tokens have not been used in public circulation since April, 1949, and that there are no present plans to return to a fare system involving their use, it appears that the inventory of metal tokens is of little if any value. Accordingly, after discussing the matter with responsible parties of the Railway, the inventory valuation has been written down to the nominal valuation of \$1.00 as of June 30, 1955.

We made tests of the quantities in the inventory by physical counts, and tested the pricing and computations. The factor of inventory obsolescence was discussed with employees responsible for the inventory preparation. Based upon their opinion, the amount of \$7,012.67 has been provided for estimated obsolescence.

Reserve for Accident Claims - \$2,836,802.91

A summary of the changes in this reserve during the year ended June 30, 1955 is as follows:

Balance, July 1, 1954		\$2,910,279.57
Provision for accidents		<u>1,567,375.97</u>
Total		4,477,655.54
Less:		
Claims paid and miscellaneous expenses, net of recoveries from insurance carriers	\$1,161,630.20	
Services of City Attorney's office	115,870.00	
Claims department payroll	162,386.75	
Cost of excess liability insurance coverage	<u>200,965.68</u>	1,640,852.63
Balance June 30, 1955		<u>\$2,836,802.91</u>

Reserve for Employees'
Compensation Claims - \$163,000.00

The amount of this reserve has been established on the basis of information as to the amount of compensation claims of employees outstanding at June 30, 1955 as furnished by the City and County of San Francisco Employee Retirement System. The above balance represents a reduction of \$7,000.00 from the reserve balance at June 30, 1954.

Deferred Credits - \$12,310.10

Deferred credits at June 30, 1955 consist of unamortized bond premium, \$7,665.40, deposits expected to be applied against jobs in process for others, \$3,395.48, and miscellaneous small items totaling \$1,249.22 whose final dispositions are being deferred to subsequent periods.

OPINION

In our opinion the accompanying balance sheet and related statements of income and surplus present fairly the financial position of Municipal Railway of San Francisco at June 30, 1955 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours truly,

Barlow, Davis & Wood

San Francisco, California

September 26, 1955

MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET
AS OF JUNE 30, 1955

ASSETS

FIXED CAPITAL:

Road and equipment (Schedule "1") \$41,564,555.12
Accumulated depreciation to date
(Schedule "2") 24,128,249.12
Road and equipment, net book value 17,436,306.00
Construction work in progress 37,539.98
17,473,845.98

CASH:

deposit with treasurer \$3,811,156.46
Revolving funds 15,000.00

ACCOUNTS RECEIVABLE..... 26,051.57

INTERFUND ACCOUNTS RECEIVABLE:

Due from General City and County 14,124.13
Due from other public service
enterprises 12,345.23

DEFERRED CHARGES:

Materials and supplies - at
average cost, or estimated
scrap or useful value..... 717,846.56
Prepaid insurance premiums and
related deferred charges 17,764.58
Uncompleted contracts, purchase
orders, and other commitments
(see contra)..... 496,037.26

TOTAL..... \$22,584,171.77

MUNICIPAL RAILWAY OF SAN FRANCISCO
BALANCE SHEET - (Continued)
AS OF JUNE 30, 1955

LIABILITIES

BONDED DEBT:

Unmatured bonds (Schedule "3") :
Maturing within one year \$ 1,599,000.00
Maturing subsequent to June 30, 1956..... 12,269,000.00
Total unmatured bonds 13,868,000.00
Matured bonds not presented for payment..... 13,868,200.00

BOND INTEREST PAYABLE:

Accrued interest \$ 94,341.88
Matured coupons not presented
for payment..... 2,090.00

ACCOUNTS PAYABLE, COMMITMENTS, ETC.:

Outstanding warrants and payroll
deductions..... 871,609.41
Contractual obligations 52,024.36
Accrued Federal Insurance
Contribution Act Tax..... 33,400.38
Accrued payrolls..... 1,802.05
Total accounts payable and
accrued liabilities..... 958,836.20
Uncompleted contracts, purchase
orders, and other commitments
(see contra)..... 496,037.26

INTERFUND ACCOUNTS PAYABLE:

Due to General City and County..... 279,335.49
Due to other public service
enterprises..... 69,136.56

RESERVES:

Accident claims..... 2,836,802.91
Employees' compensation claims..... 163,000.00
Outstanding tokens..... 1,305.34

DEFERRED CREDITS..... 12,310.10

SURPLUS (Exhibit "C"):

Contributed surplus..... 11,273,765.21
Less deficit from operations..... 7,470,989.18

TOTAL..... \$22,584,171.77

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME
FOR THE YEARS ENDED JUNE 30, 1955 and 1954,
AND COMPARISON

	Year ended June 30,		Increase (Decrease)
	<u>1955</u>	<u>1954</u>	
OPERATING INCOME:			
Passenger revenue...	\$20,898,346.27	\$21,976,747.72	\$(1,078,401.45)
Advertising revenue.	143,339.88	118,325.04	25,014.84
Rents.....	15,885.34	16,207.54	(322.20)
Other.....	29,971.80	26,344.87	3,626.93
TOTAL OPERATING INCOME.....	<u>21,087,543.29</u>	<u>22,137,625.17</u>	<u>(1,050,081.88)</u>
OPERATING EXPENSES:			
Maintenance and repairs:			
Ways and structures.....	700,343.64	753,475.61	(53,131.97)
Equipment.....	2,225,770.40	2,240,383.65	(14,613.25)
Total maintenance and repairs.....	2,926,114.04	2,993,859.26	(67,745.22)
Power.....	2,169,958.90	2,308,247.11	(138,288.21)
Conducting trans- portation.....	10,993,179.54	11,375,878.55	(382,699.01)
General and miscellaneous.....	2,422,706.44	2,340,048.27	82,658.17
Payroll taxes.....	206,487.02	201,619.28	4,867.74
Total operating expenses before provision for accidents and depreciation.....	18,718,445.94	19,219,652.47	(501,206.53)
Provision for accident claims....	1,567,375.97	1,648,262.71	(80,886.74)
Provision for depreciation (Schedule "2").....	1,732,383.04	1,814,263.97	(81,880.93)
TOTAL OPERATING EXPENSES.....	<u>22,018,204.95</u>	<u>22,682,179.15</u>	<u>(663,974.20)</u>
LOSS FROM OPERATIONS			
(Carried forward) \$	930,661.66	\$ 544,553.98	\$ 386,107.68

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF INCOME - (Continued)
FOR THE YEARS ENDED JUNE 30, 1955 and 1954,
AND COMPARISON

	Year ended June 30,		Increase (Decrease)
	<u>1955</u>	<u>1954</u>	
LOSS FROM OPERATIONS (Brought forward) \$	\$ 930,661.66	\$ 544,553.98	\$ 386,107.68
OTHER EXPENSES - NET:			
Interest on bonded debt.....	249,193.47	271,215.08	(22,021.61)
Obsolescence of materials and supplies.....	1,055.76	5,957.00	(4,901.24)
Loss on net book value of fixed assets retired.....	28,785.17	85,245.15	(56,459.98)
	<u>279,034.40</u>	<u>362,417.23</u>	<u>(83,382.83)</u>
Less other income:			
Interest on bank balances.....	18,417.25	20,977.25	(2,560.00)
Realized from sales of other fixed capital and salvage less net book value of assets retired, and miscellaneous income.....	38,200.62	3,521.06	34,679.56
	<u>56,617.87</u>	<u>24,498.31</u>	<u>32,119.56</u>
OTHER EXPENSES - NET.....	222,416.53	337,918.92	(115,502.39)
NET LOSS.....	\$ <u>1,153,078.19</u>	\$ <u>882,472.90</u>	\$ <u>270,605.29</u>

MUNICIPAL RAILWAY OF SAN FRANCISCO
STATEMENT OF SURPLUS
FOR THE YEAR ENDED JUNE 30, 1955

CONTRIBUTED SURPLUS

Balance as of June 30, 1954	\$ 8,340,917.62
Add:	
Contributions from General Fund of the City and County of San Francisco:	
From general taxes.....	2,077,027.59
From unappropriated balance for rearrangement of cable car lines.....	855,820.00
Balance as of June 30, 1955.....	<u>\$11,273,765.21</u>

DEFICIT FROM OPERATIONS

Balance as of June 30, 1954.....	\$ 6,300,065.74
Add:	
Loss from operations for the year ended June 30, 1955 (Exhibit "B").....	1,153,078.19
Reduction of metal token inventory to nominal value of \$1.00.....	26,033.44
Retroactive vacation pay for trackmen applicable to year 1950.....	2,653.60
	<u>7,481,830.97</u>

Deduct:

Controller's adjustment for audit and miscellaneous services rendered for fiscal year ended June 30, 1954.....	\$5,816.63	
Reduction of reserve for token liability to estimated amount of future redemptions.....	4,632.33	
Adjustments to recording of June 30, 1953 property appraisal.....	<u>392.83</u>	<u>10,841.79</u>
Balance as of June 30, 1955.....	<u>\$ 7,470,989.18</u>	

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 1955

	Book Balance June 30, 1954	Appraisal Adjustments	Balance After Adjustments June 30, 1954	Additions	Retirements	Balance June 30, 1955
WAY AND STRUCTURES:						
Right of way.....	\$ 158,942.33		\$ 158,942.33		\$ 1,310.00	\$ 157,632.33
Other land.....	1,127,435.53		1,127,435.53		73,330.94	1,054,104.59
Balast.....	397,802.18	(273.30)	397,528.88	633.19	39,230.94	358,931.13
Ties.....	265,076.39	(22.29)	265,054.10	727.53	39,538.47	226,243.16
Rails, rail fastenings, and joints.....	1,405,826.26		1,405,826.26	3,499.15	175,479.06	1,233,846.35
Special track work.....	515,065.95	(28.71)	515,037.24	3,497.15	65,810.45	449,306.79
Underground construction.....	2,820,768.89		2,820,768.89	80.00	187,688.50	2,633,160.39
Gravel and roadway labor.....	1,536,725.47	597.07	1,537,322.54	10,991.40	157,698.50	1,390,615.44
Paving.....	82,486.21	(182.57)	82,303.64	2,147.23	229,032.45	1,309,667.68
Roadway machinery and tools.....	14,987.49		14,987.49		15,036.67	17,449.54
Tunnels and subways.....	14,987.49		14,987.49		35,383.00	14,987.49
Bridges, trestles, and culverts.....	39,717.85		39,717.85		7.00	4,334.85
Crossings, fences, and signs.....	49,377.29		49,377.29			49,377.29
Signals and interlocking apparatus.....	54,042.27		54,042.27			54,042.27
Construction.....	54,042.27		54,042.27			54,042.27
Poles and fixtures.....	1,559,101.30		1,559,101.30	9,201.48	12,511.11	1,555,791.67
Underground conduits.....	477,826.56	(55,734.00)	422,092.56	24,406.24	52,768.60	421,892.56
Distribution system.....	3,766,783.30	(30.20)	3,766,753.10	605,605.20		3,738,380.74
General office buildings, cable cars.....	21,080.00		21,080.00	165,605.30		21,080.00
Shops, carhouses, and maintenance buildings.....	5,148,535.53		5,148,535.53	884.80		5,137,072.47
Stations, waiting rooms, and structures.....	189,535.53		182,533.53			167,306.53
TOTAL WAY AND STRUCTURES.....	21,751,373.32	(55,734.00)	21,695,639.32	218,135.32	1,299,009.40	20,814,785.34
EQUIPMENT:						
Electric street cars.....	2,139,421.96		2,139,421.96	16,944.70		2,156,366.66
Cable cars.....	6,856,035.23		6,856,035.23			6,856,035.23
Motor cars.....	6,856,035.23		6,856,035.23		154,969.50	6,611,551.59
Trolley coaches.....	7,561,695.92		7,561,695.92		244,483.64	7,561,695.92
Fare boxes.....	155,984.00		155,984.00			155,984.00
Service equipment, electric.....	119,940.04		119,940.04			119,940.04
Electric equipment of street cars and trolley coaches.....	1,102,194.51		1,102,194.51			1,102,194.51
Shops.....	856,432.80		856,432.80			828,446.59
Furniture and office equipment.....	254,892.24		254,892.24	1,464.59		254,892.24
Automotive and miscellaneous service equipment.....	241,978.61		241,978.61			240,947.61
TOTAL EQUIPMENT.....	19,904,120.14		19,904,120.14	18,409.29	429,934.94	19,492,594.49
POWER:						
Substation buildings.....	367,222.17		367,222.17			367,222.17
Power plant equipment, cable cars.....	361,962.00		361,962.00			361,962.00
Substation equipment.....	720,901.36		720,901.36			720,901.36
Transmission system.....	7,088.76		7,088.76			7,088.76
TOTAL POWER.....	1,457,174.29		1,457,174.29			1,457,174.29
TOTALS.....	\$43,112,667.85	\$ (55,734.00)	\$43,056,933.85	\$236,563.61	\$1,728,944.34	\$43,069,553.12

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO
SUMMARY OF ROAD AND EQUIPMENT DEPRECIATION
FOR THE YEAR ENDED JUNE 30, 1955

	Book Balance June 30, 1954	Appraisal Adjustments	Balance After Adjustments June 30, 1954	Provision for Year Ended June 30, 1955	Retirements	Balance June 30, 1955
WAY AND STRUCTURES:						
Gravel	\$ 347,165.57	\$	\$ 347,165.57	\$ 30,521.95	\$ 72,320.94	\$ 304,455.48
Ballast	283,834.04		283,834.04	7,047.70	39,340.28	251,641.46
Ties	174,090.04		174,090.04	5,749.39	39,539.47	130,800.96
Rails, rail fastenings, and joints	981,599.54		981,599.54	22,498.67	168,529.25	835,568.96
Special track work	364,749.80	(33.65)	364,716.15	8,225.04	64,717.21	308,233.98
Underground construction	2,670,928.37		2,670,928.37	5,101.90	324,062.59	1,867,062.28
Trackwork and road labor	679,928.37	525.23	679,928.37	1,101.90	229,022.55	450,005.92
Paving	1,103,196.82	52.87	1,103,249.69	27,341.08	229,022.55	901,568.32
Roadway machinery and tools	69,226.39		69,226.39	7,769.52	16,131.56	53,864.35
Tunnels and subways	14,987.49		14,987.49			14,987.49
Bridges, trestles, and culverts	38,525.73		38,525.73	108.37	35,383.00	3,251.10
Signals and interlocking apparatus	11,368.31	(905.15)	10,463.16	928.57	7.00	10,582.64
Communication systems	27,646.90		27,646.90	4,472.12	32,119.02	32,119.02
Poles and fixtures	827,181.94		827,181.94	24,044.09	11,885.55	839,340.48
Underground conduit	336,002.77	(55,734.00)	280,268.77	7,444.76	287,713.53	287,713.53
Distribution systems	1,335,986.58		1,335,986.58	88,600.52	1,380,668.70	1,380,668.70
Gas and electric buildings, cable cars	2,119,309.49		2,119,309.49	105,369.70	2,224,679.19	2,224,679.19
Shops, carhouses, and garages	11,650.03	(32.13)	11,617.90	5,570.96	16,091.80	71,097.06
Stations, miscellaneous buildings, and structures	11,345,935.32	(56,126.83)	11,289,808.09	396,864.95	1,245,645.48	10,438,125.57
TOTAL WAY AND STRUCTURES						
EQUIPMENT:						
Electric street cars	1,270,780.61		1,270,780.61	56,996.97		1,327,777.58
Cable cars	607,908.83		607,908.83		154,969.50	452,939.33
Motor coaches	5,759,550.67	48.05	5,759,598.72	675,737.10	241,281.84	6,194,053.98
Trolley coaches	2,293,074.31	97.31	2,293,171.62	495,645.27		2,788,816.89
Car boxes	52,420.83	(145.36)	52,275.47	9,650.89		61,926.36
Street cars	115,291.60		115,291.60	1,536.24		116,827.84
Electric equipment of street cars and trolley coaches	755,063.94		755,063.94	20,351.93		775,415.87
Shop equipment	552,917.87		552,917.87	30,183.13		583,101.00
Furniture and office equipment	177,216.40		177,216.40	9,027.03		186,243.43
Automotive and miscellaneous service equipment	139,807.55		139,807.55	22,426.03	980.00	161,253.88
TOTAL EQUIPMENT	11,724,032.91	-0-	11,724,032.91	1,321,356.58	425,859.13	12,019,130.37
TOTALS	\$24,126,500.52	\$56,126.83	\$24,070,373.69	\$1,732,383.04	\$1,674,507.61	\$24,126,248.12

See Notes to Schedules "1" and "2".

MUNICIPAL RAILWAY OF SAN FRANCISCO
NOTES TO SCHEDULES "1" and "2"
JUNE 30, 1955

1. Fixed capital assets are stated at appraisal valuations at June 30, 1953, with subsequent additions at cost. Accumulated depreciation is stated at amounts determined by the appraisal of June 30, 1953, with subsequent additions based upon remaining useful lives determined by the appraisal or assigned to newly acquired assets.
2. Included in Way and Structures at June 30, 1955 are nonoperated track, roadway and underground conduit totaling \$747,499.58. These assets are fully depreciated. The amount of nonoperated assets carried in other classifications has not been determined.
3. Appraisal adjustments reflected by Schedules "1" and "2" represent further adjustments of the accounts to result in conformance with the appraisal of June 30, 1953.

MUNICIPAL RAILWAY OF SAN FRANCISCO
UNMATURED BONDED DEBT
AS OF JUNE 30, 1955

REHABILITATION ISSUE OF 1947:

	Interest Rate	Principal Amount Per Annum	Dates	Principal Amount Outstanding June 30, 1955
Series A (dated February 1, 1948).....	2%	\$433,000	February 1, 1956-58	\$1,299,000
	2-1/2%	433,000	February 1, 1959-63	<u>2,165,000</u>
				\$ 3,464,000
Series B (dated August 1, 1948).....	1-1/4%	123,000	August 1, 1955	123,000
	1-3/4%	123,000	August 1, 1956	123,000
	1-3/4%	559,000	August 1, 1957-58	1,118,000
	2%	559,000	August 1, 1959-60	1,118,000
	2%	560,000	August 1, 1961-63	<u>1,680,000</u>
				4,162,000
Series C (dated March 1, 1949).....	1-1/2%	90,000	March 1, 1956-57	180,000
	1-1/2%	380,000	March 1, 1958	380,000
	1-1/2%	400,000	March 1, 1959-64	<u>2,400,000</u>
				2,960,000
Series D (dated August 1, 1949).....	1%	105,000	August 1, 1955	105,000
	1-1/4%	105,000	August 1, 1956	105,000
	1-1/4%	104,000	August 1, 1957-60	416,000
	1-1/2%	104,000	August 1, 1961-64	<u>416,000</u>
				1,042,000
Series E (dated November 1, 1949).....	1%	38,000	November 1, 1955-56	76,000
	1-1/4%	38,000	November 1, 1957-61	190,000
	1-1/2%	38,000	November 1, 1962-64	<u>114,000</u>
				380,000
Series F (dated September 1, 1950).....	1%	690,000	September 1, 1955-56	1,380,000
Series G (dated March 1, 1952).....	1-1/4%	120,000	March 1, 1956-59	<u>480,000</u>
TOTAL UNMATURED BONDED DEBT.....				<u>\$13,868,000</u>

San Francisco School Department
(A Unified School District)



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1955

BENSON & NEFF

CERTIFIED PUBLIC ACCOUNTANTS

CROCKER BUILDING
SAN FRANCISCO 4

October 7, 1955

Honorable Harry D. Ross,
Controller, City and County of San Francisco,
San Francisco, California.

Dear Sir:

We have examined the balance sheets of San Francisco Unified School District as of June 30, 1955 and the related statements of surplus and revenues and expenditures for the year then ended. These financial statements, attached hereto, are as follows:

EXHIBIT

Proprietary Balance Sheet, June 30, 1955	A
Statement of Surplus - Current Fund for the Year Ended June 30, 1955	B
Statement of Surplus - Capital Funds for the Year Ended June 30, 1955	C
Notes to Financial Statements	D
Statement of Revenue and Expenditures of the Current Fund for the Years Ended June 30, 1955 and 1954, and Comparison	E
Revenue for the Years Ended June 30, 1955 and 1954, and Comparison - Schedule 1	
Expenditures for the Years Ended June 30, 1955 and 1954, and Comparison - Schedule 2	
Funds Balance Sheet, June 30, 1955	F
Reconciliation of Proprietary Balance Sheet with Funds Balance Sheet, June 30, 1955	G

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion the accompanying balance sheets and related statements of surplus and revenue and expenditures present fairly the financial position of the San Francisco Unified School District as of June 30, 1955 and the results of its operations for the year then ended, in conformity with generally accepted governmental accounting principles applied on a basis consistent with that of the preceding year.

Our report, program, and working papers relating to this examination have been made available to Mr. David R. Supple, consultant and statistician for the Grand Jury.

We submit our comments on the following pages preceding the financial statements.

Yours truly,

Benson & N. aff

The following comments are submitted for the purpose of further amplification and explanation of the financial statements and to set forth the apparent causes of certain operating results.

REVENUES AND EXPENDITURES

CURRENT FUND

A condensed comparative summary of revenue and expenditures of the Current Fund for the years ended June 30, 1955 and 1954 is presented below (figures rounded off to nearest thousand dollars):

	<u>YEAR ENDED JUNE 30,</u>		<u>INCREASE</u>
	<u>1955</u>	<u>1954</u>	<u>(DECREASE)</u>
Revenue:			
Property taxes and penalties.....	\$19,978,000	\$20,637,000	\$ (659,000)
State of California:			
School funds apportionment.....	11,220,000	10,771,000	449,000
Retirement subventions.....	922,000	803,000	119,000
Other revenue.....	1,773,000	2,067,000	(294,000)
Auxiliary (indirect) revenue.....	463,000	456,000	7,000
Total revenue.....	<u>\$34,356,000</u>	<u>\$34,734,000</u>	<u>\$ (378,000)</u>
Expenditures:			
Operating expenses.....	\$33,781,000	\$33,076,000	\$ 705,000
Net capital outlay from			
Current Fund.....	501,000	295,000	206,000
Total expenditures.....	<u>\$34,282,000</u>	<u>\$33,371,000</u>	<u>\$ 911,000</u>
Excess of revenue over expenditures	<u>\$ 74,000</u>	<u>\$ 1,363,000</u>	<u>\$(1,289,000)</u>

The lower revenue from property taxes in the current year as compared to the previous year reflects principally the reduced school district tax rate, from approximately \$1.68 in 1954 to \$1.57 in 1955.

Revenues from the State School Fund consist of the share of state funds apportioned to the School District on the basis of average daily attendance, for certain excess expenses of educating handicapped children, and for automobile driver training. These revenues for the year ended June 30, 1955 are as follows:

	TOTAL	ELEMENTARY SCHOOLS	HIGH SCHOOLS	CITY COLLEGE
Total average daily attendance (see Note 2).....	84,716	55,379	24,700	4,637
\$120 per pupil.....	<u>\$10,165,920</u>	<u>\$6,645,480</u>	<u>\$2,964,000</u>	<u>\$556,440</u>
Apportionment based on increase in attendance over that of the prior year (see Note 3).....	<u>\$ 322,419</u>	<u>\$ 210,978</u>	<u>\$ 30,975</u>	<u>\$ 80,466</u>
Apportionment for excess expenses of educating handicapped children:				
Physically handicapped:				
Average daily attendance	937	818	119	
Extra expenses to school district (not over \$400 per pupil).....	<u>\$ 374,800</u>	<u>\$ 327,200</u>	<u>\$ 47,600</u>	
Mentally retarded:				
Average daily attendance	1,306	788	518	
Extra expenses (not over \$150 per pupil).....	<u>195,900</u>	<u>118,200</u>	<u>77,700</u>	
Severely mentally retarded:				
Average daily attendance	123	123		
Extra expenses (not over \$300 per pupil).....	<u>36,900</u>	<u>36,900</u>		
Transportation expense of certain handicapped children:				
Average daily attendance	351	351		
Expense to district (not over \$350 per pupil)..	<u>101,209</u>	<u>101,209</u>		
Total - handicapped children.....	<u>\$ 708,809</u>	<u>\$ 583,509</u>	<u>\$ 125,300</u>	
Automobile driver training:				
Number of pupils trained..	769		769	
Apportionment (see Note 4)	<u>\$ 23,070</u>		<u>\$ 23,070</u>	
Total.....	<u>\$11,220,218</u>	<u>\$7,439,967</u>	<u>\$3,143,345</u>	<u>\$636,906</u>
Less adjustment to prior year apportionment.....	<u>341</u>	<u>341</u>		
Remainder.....	<u>\$11,219,877</u>	<u>\$7,439,626</u>	<u>\$3,143,345</u>	<u>\$636,906</u>

NOTES:

- (1) Attendance and apportionment figures applicable to evening schools and the continuation school are included in the column for high schools above.
- (2) Average daily attendance of the previous year serves as the primary basis for apportionment in the current year. The average daily attendance listed in the above schedule is that of the year ended June 30, 1954.
- (3) The increase in average daily attendance is based on attendance reports for periods ended in December and April of the current school year. After the end of the current year it was discovered that a clerical error had been made in preparing the first period report of attendance for the junior college and that this error had resulted in an understatement of average attendance for the period. An amended report has been submitted and, if accepted, it should result in an increased apportionment of \$2,154 in the next fiscal year.
- (4) The apportionment for automobile driver training is the lower of:
 - (a) 75% of the actual cost, or
 - (b) \$30 times the number of pupils trained, or
 - (c) \$30 times the enrollment at October 31 or March 31 in grade 10, 11, or 12, whichever is greater.

The following schedule shows a comparison of average daily attendance during the current year and the two preceding years:

	<u>1954-55</u>	<u>1953-54</u>	<u>1952-53</u>
Elementary schools.....	56,920	55,379	53,111
High schools.....	24,919	24,700	23,310
Junior college.....	<u>5,395</u>	<u>4,637</u>	<u>4,461</u>
Total.....	<u>87,234</u>	<u>84,716</u>	<u>80,882</u>

BASIC DATA FOR STATE APPORTIONMENT
FOR FISCAL YEAR 1955-56

The following is a summary of average daily attendance during the year ended June 30, 1955, which will serve as the basis for apportionment in the fiscal year 1955-56:

	<u>TOTAL</u>	<u>ELEMENTARY SCHOOLS</u>	<u>HIGH SCHOOLS</u>	<u>JUNIOR COLLEGE</u>
Total average daily attendance.....	87,234	56,920	24,919	5,395
Increase in attendance.....	--to be determined during the year--			
Handicapped children:				
Physically handicapped.....	935	794	141	
Mentally retarded.....	1,285	766	519	
Severely mentally retarded.....	130	130		
Requiring special transportation.	363	363		
Automobile driver training -				
number of pupils trained.....	880		880	

With the exception of expenditures for administration, fixed charges, and transportation of pupils, all major classifications of expenditures were higher in the current year. The substantial reduction of \$110,500 or approximately 31%, in the cost of transporting pupils, from the previous year results principally from the opening of a new elementary and a new junior high school which has eliminated the need for pupils in those new areas to be transported to other schools.

CHILD CARE CENTERS

25 Child Care Centers, with total enrollment of 1,242 children were in operation at June 30, 1955. The average daily number of children in attendance during the year was 1,203. The total hours of child attendance for the years ended June 30, 1955 and 1954, and comparison, are as follows:

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Hours of attendance:			
Nursery (under 5 years, 9 months of age)	1,458,539	1,377,748	80,791
School age (5 years, 9 months of age and over).....	<u>521,909</u>	<u>455,478</u>	<u>66,431</u>
Total hours of attendance.....	<u>1,980,448</u>	<u>1,833,226</u>	<u>147,222</u>

The statement of revenue and expenditures of the Child Care Centers for the years ended June 30, 1955 and 1954, and comparison, is summarized as follows:

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Revenue:			
State apportionment.....	\$442,851	\$417,449	\$ 25,402
Fees from parents.....	335,646	289,444	46,202
District taxes.....	126,685	193,058	(66,373)
Miscellaneous.....	<u>1,353</u>	<u>1,184</u>	<u>169</u>
Total revenue.....	<u>\$906,535</u>	<u>\$901,135</u>	<u>\$ 5,400</u>
Expenditures:			
Administration.....	\$ 58,204	\$ 60,018	\$ (1,814)
Instruction.....	509,699	526,936	(17,237)
Auxiliary services.....	14,209	13,555	654
Operation.....	122,225	122,537	(312)
Maintenance.....	14,238	24,115	(9,877)
Fixed charges.....	6,174	5,199	975
Food.....	166,744	154,129	12,615
Capital outlay.....	<u>8,369</u>	<u>6,102</u>	<u>2,267</u>
Total expenditures.....	<u>\$899,862</u>	<u>\$912,591</u>	<u>\$(12,729)</u>
Excess (deficiency) of revenue over expenditures.....	<u>\$ 6,673</u>	<u>\$(11,456)</u>	<u>\$ 18,129</u>

COUNTY SCHOOL SERVICE FUND

The revenue and expenditures of the County School Service Fund were as follows:

Revenue from State apportionment.....		\$38,903
Expenditures:		
Administration:		
Office of county superintendent of schools	\$2,400	
Bureau of research.....	<u>7,500</u>	\$ 9,900
Instruction:		
Curriculum services.....	\$16,503	
Visual education.....	<u>12,500</u>	<u>29,003</u>
		38,903

CAFETERIAS

Fifty six cafeterias were operated by the School District during the year ended June 30, 1955. The statement of income and expenses for the years ended June 30, 1955 and 1954, and comparison, is as follows:

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Revenue:			
Sales - cafeterias.....	\$1,042,022	\$ 981,408	\$ 60,614
Sales - mid-morning lunches.....	188,955	187,097	1,858
Contribution from the Department of Public Health of the City and County of San Francisco for mid-morning milk.....	6,000		6,000
Federal grants:			
Current year.....	114,815	84,128	30,687
Additional amounts applicable to prior years.....	1,906	4,196	(2,290)
Other adjustments to recorded income of prior years - net.....	592	(360)	952
Total revenue.....	<u>\$1,354,290</u>	<u>\$1,256,469</u>	<u>\$ 97,821</u>
Expenses:			
Cost of food.....	\$ 816,370	\$ 770,333	\$ 46,037
Salaries.....	442,559	397,704	44,855
Student help meals.....	32,763	31,170	1,593
Supplies and expense.....	48,986	46,166	2,820
Central office expense.....	796	726	70
Repairs and replacements.....		88	(88)
Provision for sick leave and vacations.....	35,934	32,119	3,815
Total expenses.....	<u>\$1,377,408</u>	<u>\$1,278,306</u>	<u>\$ 99,102</u>
Net loss.....	<u>\$ 23,118</u>	<u>\$ 21,837</u>	<u>\$ 1,281</u>

Net income of the cafeterias, when the operations result in net income, is held in trust for cafeteria operations only and is not available for other activities.

STUDENT BODY FUNDS

The student body funds and all accounting records in support thereof are maintained at the schools and are subject to internal audit at regular intervals. We reviewed the audit procedures and working papers of audits made by the administrative office during the year and believe them to be adequate.

FUND FOR THE ADVANCEMENT OF EDUCATION

This Fund was created when the School District received a grant in the amount of \$350,000 from The Fund for the Advancement of Education, a private foundation, to be used solely for the recruitment and training of teachers.

The trust agreement, under the terms of which this grant was accepted, provides that on July 1, 1959 or upon any earlier termination of the agreement or termination of the project for recruitment and training of teachers, any portion of the grant not expended or committed for the specific purposes for which the grant was made shall be returned to the grantor.

Transactions of this Fund during the year ended June 30, 1955 are summarized as follows:

Cash on deposit with Treasurer, July 1, 1954.....	\$350,000		
Expenditures:			
Fellowship payments (sustenance allowances).....	\$13,669		
Consultants' fees.....	712		
San Francisco State College:			
Student fees.....	\$ 795		
Supervisor's salary and expenses.....	4,340	5,135	19,516
Cash on deposit with Treasurer, June 30, 1955.....			<u>\$330,484</u>

PROPRIETARY BALANCE SHEET

CASH - \$17,107,853

Cash in the various funds of the District at June 30, 1955 was as follows:

School District current fund.....		\$ 6,952,619
Capital funds:		
1948 school bonds.....	\$8,628,695	
Real property.....	<u>83,424</u>	8,712,119
Special and trust funds:		
Child Care Centers.....	\$ 179,650	
Cafeteria.....	295,137	
Withholding tax.....	254,631	
Teachers' sabbatical leave.....	3,350	
Teachers' permanent retirement.....	19,611	
Teachers' annuity.....	12,139	
Veterans' education.....	140	
Will C. Steinbrunn bequest.....	10,175	
Anna Steinberg trust.....	1,000	
Fund for the Advancement of Education.....	<u>334,073</u>	<u>1,109,906</u>
Total cash deposited with Treasurer.....		\$16,774,644
Cash transfers outstanding.....	\$ 309,749	
Revolving funds:		
School district.....	\$3,000	
Cafeteria.....	<u>1,550</u>	4,550
Hume Foundation Trust Fund (deposited with American Trust Company).....		<u>161</u> <u>314,460</u>
Total cash - School District.....		\$17,089,104
Cash of the bond interest and redemption funds of the City and County of San Francisco (included in the proprietary balance sheet as an offset to bonds and interest payable):		
Bonds matured, unpaid.....	\$ 4,000	
Bond interest matured, unpaid.....	<u>14,749</u>	<u>18,749</u>
Total cash.....		<u>\$17,107,853</u>

ACCOUNTS RECEIVABLE - \$1,689,321

A summary of the accounts receivable of the various funds of the District at June 30, 1955 is presented as follows:

Delinquent taxes and penalties:			
Secured.....	\$	197,768	
Unsecured.....		<u>426,674</u>	
Total taxes and penalties.....	\$	624,442	
Less reserve for unsecured taxes.....		<u>426,674</u>	\$ 197,768
Other accounts receivable:			
Current Fund:			
Federal grant for school construction....	\$1,125,478		
Tuition due from other counties			
and districts.....	237,900		
Federal subvention for aid to local			
education.....	53,924		
Federal subventions for vocational			
training of veterans.....	14,182		
Student teacher training program.....	7,731		
Salary overpayments.....	6,030		
Miscellaneous.....	<u>11,985</u>		1,457,230
Cafeterias:			
Federal grants.....	\$	25,263	
Undeposited sales receipts.....		<u>4,164</u>	29,427
Child Care Centers - fees from parents.....			<u>4,896</u>
Total accounts receivable.....			<u>\$1,689,321</u>

The total amount of secured taxes and penalties receivable has been credited to income. All other receivables are covered by deferred credits and will be taken into income in the year of collection.

The account receivable, Federal grant for school construction, represents the remainder of a grant in the amount of \$1,250,531 for the construction of Silver and Thomas Avenues Elementary School. 10% of this grant, \$125,053, was received during the year ended June 30, 1955; the remainder will be received in future periods as the construction is completed.

Tuition due from other counties and districts consists of the following items:

Tuition for non-resident students at City

College for the fiscal year 1954-55:

Amount due but not billed as of June 30, 1955..	\$157,176	
Amount billed June 30, 1955.....	<u>79,911</u>	\$237,087
Other current items.....		331
Tuition for prior years not collected.....		<u>482</u>
Total.....		<u>\$237,900</u>

INVENTORIES

Stores - at cost.....	\$700,436
Shop inventory - at cost.....	32,071

Stores inventory consists of unissued supplies and furniture and fixtures stored at various warehouse locations. Portions of the inventory were counted and reconciled with the general ledger at February 28, March 31, and at June 30, 1955. The general ledger accounts were adjusted to agree with the physical inventories as of the dates of inventory counts; the total of the necessary adjustments resulted in an increase to the inventory accounts in the total amount of \$1,027.

Shop inventory consists of the following items:

Refinished furniture not reissued.....	\$ 7,548
Shop orders in process.....	677
Materials and supplies.....	<u>23,846</u>
Total.....	<u>\$32,071</u>

FIXED CAPITAL PROPERTIES - \$100,815,027

Net additions to fixed capital properties during the year ended June 30, 1955 are summarized as follows:

	BUILDINGS AND IMPROVEMENTS EQUIPMENT			
	TOTAL	LAND		
Additions per School				
District records:				
1948 school bond fund.	\$6,928,754	\$ 43,644	\$6,527,524	\$357,586
School current fund...	841,943	37,289	318,034	486,620
Child Care Centers....	8,369			8,369
Special accumulative				
building fund.....	5,750	5,750		
Real property fund....	51,210	51,210		
Total.....	<u>\$7,836,026</u>	<u>\$ 137,893</u>	<u>\$6,845,558</u>	<u>\$852,575</u>
Less:				
Net reduction due to				
properties sold, ex-				
changed or otherwise				
disposed of.....	\$ 293,269	\$ 292,119	\$ 1,150	(see Note)
Other reconciling				
items.....	13,008	7,219	(2,595)	\$ 8,384
Total reconciling				
items.....	<u>\$ 306,277</u>	<u>\$ 299,338</u>	<u>\$ (1,445)</u>	<u>\$ 8,384</u>
Net additions (reduction)				
per Controller's				
records 1954-1955....	<u>\$7,529,749</u>	<u>\$(161,445)</u>	<u>\$6,847,003</u>	<u>\$844,191</u>

NOTE: The reduction for equipment sold, exchanged, or otherwise disposed of, in the amount of \$57,682, during the year ended June 30, 1955 will be recorded by the Controller in the succeeding fiscal year.

We did not test additions acquired through the 1948 School Bond Fund inasmuch as this fund was subject to examination by other independent accountants engaged to examine the Controller's records.

BONDED DEBT - \$46,086,000

BOND INTEREST PAYABLE AND ACCRUED - \$275,979

A summary of the changes in bonded debt during the year ended June 30, 1955 as shown by the records of the Controller follows:

DATE OF ISSUE	INTEREST RATE	BALANCE JULY 1, 1954	TRANSACTIONS DURING FISCAL YEAR		BALANCE JUNE 30, 1955
			SOLD	REDEEMED	
March 1, 1923	5%	\$ 3,910,000		\$ 300,000	\$ 3,610,000*
March 1, 1949	1-1/4	2,400,000		500,000	1,900,000
March 1, 1949	1-1/2	3,000,000		240,000	2,760,000
April 1, 1951	1-1/4	769,000		769,000	
April 1, 1951	1-3/4	8,466,000			8,466,000
March 1, 1952	1-1/2	8,320,000			8,320,000
December 1, 1952	1-3/4	9,750,000			9,750,000
August 1, 1953	4	960,000		320,000	640,000
August 1, 1953	2-1/2	3,840,000			3,840,000
March 1, 1954	5-3/4	400,000		200,000	200,000
March 1, 1954	1	400,000			400,000
March 1, 1954	1-1/4	1,000,000			1,000,000
March 1, 1954	1-1/2	800,000			800,000
March 1, 1954	1-3/4	400,000			400,000
April 1, 1955	6		\$ 300,000		300,000
April 1, 1955	1-3/4		3,700,000		3,700,000
Total.....		<u>\$44,415,000</u>	<u>\$4,000,000</u>	<u>\$2,329,000</u>	<u>\$46,086,000</u>

*Includes \$4,000 matured but unpaid.

Of the \$48,900,000 school bond issue approved by public vote in November 1948, \$990,000 remained unsold at June 30, 1955.

Bond interest payable and accrued at June 30, 1955 is summarized as follows:

Coupons matured - not presented for payment...	\$ 14,749
Interest accrued - not due.....	<u>261,230</u>
Total.....	<u>\$275,979</u>

The bonded debt and interest thereon are not reflected on the books of the School District as they are general obligations of the City and County of San Francisco, and are shown in the accompanying balance sheet only as a matter of record. In accordance with past practice, the interest between the last coupon dates and the end of the fiscal year (\$261,230) has been treated as a deferred charge.

INSURANCE COVERAGE AND LIABILITY
FOR DAMAGE AND WORKMEN'S COMPENSATION CLAIMS

The following is a summary of the insurance in force at
June 30, 1955:

Fire and extended coverage - School District property
including contents:

Total coverage during the year ended June 30, 1955.....	\$72,500,000
Total coverage to be in effect during the year beginning July 1, 1955.....	\$78,486,000

Rental income - Lincoln Building:

Fire and extended coverage....	Actual rental, not to exceed \$348,000
--------------------------------	--

Loss of specific property (camera and borrowed property).....	\$2,513
---	---------

Automobiles (includes driver training program cars):

Bodily injury (including non-ownership coverage)..<	\$200,000/\$500,000
Property damage.....	\$100,000
Fire and theft.....	Cash value
Collision (driver training only).....	\$50 deductible

Child Care Centers:

Bodily injury.....	\$100,000/\$1,000,000
Property damage.....	\$1,000/\$10,000

Boiler:

City College.....	\$500,000
High schools, each.....	\$250,000
All other schools, each.....	\$100,000

Valuable records:

Other than money and securities.....	\$ 50,000
--------------------------------------	-----------

Blanket fidelity bond - each loss.....	\$ 25,000
--	-----------

Additional fidelity bond coverage:

Superintendent of Schools.....	\$ 25,000
Chief of the Budget Division.....	\$ 15,000
Chief of the Division of Accounts.....	\$ 6,000
Board of Education members (each).....	\$ 2,500

Workmen's Compensation - Child Care Centers.....	Statutory
--	-----------

General liability:

Sub-leased portion of Union Furniture

Company warehouse.....	\$100,000/\$200,000
------------------------	---------------------

The fire and extended coverage in effect is intended to be 90% of insurable value. An insurance survey as of May 1, 1955 shows total value of buildings and contents to be \$87,207,504. 90% thereof is \$78,486,750.

The School District does not carry general public liability insurance, nor does it carry workmen's compensation insurance covering employees other than those of the Child Care Centers. The Retirement Board of the City and County of San Francisco has advised us that the liability for unsettled workmen's compensation claims at June 30, 1955 is estimated to be approximately \$85,000. The legal adviser of the School District advised us that the contingent liability under other unsettled claims is estimated to be \$100,000.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET, JUNE 30, 1955

EXHIBIT A

ASSETS

	TOTAL	CURRENT FUND	CAPITAL FUNDS	SPECIAL AND TRUST FUNDS
CASH:				
On deposit with Treasurer.....	\$ 16,774,644	\$ 6,952,619	\$ 8,712,119	\$1,109,906
Cash transfers outstanding.....	309,749	(49,309)	(3,280)	362,338
Revolving funds.....	4,550	3,000		1,550
Advance to 1948 School Bond fund....		4,257	(4,257)	
Bond interest and redemption funds....	18,749	18,749		
Other - Hume Foundation.....	161			161
Total cash.....	<u>\$ 17,107,853</u>	<u>\$ 6,929,316</u>	<u>\$ 8,704,582</u>	<u>\$1,473,955</u>
ACCOUNTS RECEIVABLE:				
Delinquent taxes and penalties.....	\$ 624,442	\$ 622,268		\$ 2,174
Less reserve for unsecured property taxes.....	426,674	425,499		1,175
Secured taxes and penalties.....	\$ 197,768	\$ 196,769		\$ 999
Other accounts, subventions, etc. (contra).....	1,491,553	1,457,230		34,323
Total accounts receivable.....	<u>\$ 1,689,321</u>	<u>\$ 1,653,999</u>		<u>\$ 35,322</u>
INTER-FUND ACCOUNTS.....	<u>\$ 10,377</u>	<u>\$ 2,728</u>	<u>\$ 7,649</u>	
INVENTORIES AND DEFERRED CHARGES:				
Stores - at cost.....	\$ 700,436	\$ 700,436		
Shop inventory - at cost.....	32,071	32,071		
Unexpired insurance.....	10,373	10,373		
Other supplies and expense.....	6,535	6,535		
Bond interest accrued.....	261,230	261,230		
Uncompleted contracts and purchase orders (contra).....	6,038,161	1,308,869	\$ 4,715,518	\$ 13,774
Work in progress.....	145,849		145,849	
Total inventories and deferred charges.....	<u>\$ 7,194,655</u>	<u>\$ 2,319,514</u>	<u>\$ 4,861,367</u>	<u>\$ 13,774</u>
FIXED CAPITAL PROPERTIES (see Note 1):				
Land.....	\$ 14,052,517		\$ 14,052,517	
Buildings and improvements.....	77,711,009		77,711,009	
Equipment.....	9,051,501		9,051,501	
Total fixed capital properties..	<u>\$100,815,027</u>		<u>\$100,815,027</u>	
TOTAL.....	<u>\$126,817,233</u>	<u>\$10,905,557</u>	<u>\$114,388,625</u>	<u>\$1,523,051</u>

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
PROPRIETARY BALANCE SHEET, JUNE 30, 1955

EXHIBIT A

LIABILITIES AND SURPLUS

	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>CAPITAL FUNDS</u>	<u>SPECIAL AND TRUST FUNDS</u>
BOND INTEREST PAYABLE AND ACCRUED (see Note 1).....	\$ 275,979	\$ 275,979		
ACCOUNTS PAYABLE AND COMMITMENTS:				
Warrants and payroll deductions outstanding.....	\$ 2,456,158	\$ 2,159,959	\$ 146,835	\$ 149,364
Accounts payable - materials and service.....	280,037	259,610		20,427
Uncompleted contracts and purchase orders (contra).....	6,038,161	1,308,869	4,715,518	13,774
Balance of withholding tax, and teachers' sabbatical leave, permanent, and annuity funds.....	652,119			652,119
Total accounts payable and commitments.....	\$ 9,426,475	\$ 3,728,438	\$ 4,862,353	\$ 835,684
INTER-FUND ACCOUNTS:				
Department of Public Works.....	\$ 247,484	\$ 243,675		\$ 3,809
Employees' Retirement System.....	306,555	306,555		
Other funds and city departments.....	22,758	19,976		2,782
Total inter-fund accounts.....	\$ 576,797	\$ 570,206		\$ 6,591
DEFERRED CREDITS (see Note 5):				
Accounts receivable (contra).....	\$ 1,491,553	\$ 1,457,230		\$ 34,323
Other.....	110	97		13
Total deferred credits.....	\$ 1,491,663	\$ 1,457,327		\$ 34,336
BONDED DEBT (see Note 1).....	\$ 46,086,000	\$ 4,000	\$ 46,082,000	
SURPLUS (Exhibits B and C and Notes 2 and 3).....	\$ 68,960,319	\$ 4,869,607	\$ 63,444,272	\$ 646,440
 TOTAL.....	 \$126,817,233	 \$10,905,557	 \$114,388,625	 \$1,523,051

The notes are on Exhibit D.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

STATEMENT OF SURPLUS - CURRENT FUND
FOR THE YEAR ENDED JUNE 30, 1955

EXHIBIT B

Balance, July 1, 1954.....	\$4,770,507
Excess of revenue over expenditures for the year ended June 30, 1955 - Exhibit E.....	74,100
Return to surplus of deferred credit for Department of Public Works Revolving Fund.....	<u>25,000</u>
Balance, June 30, 1955 (see Notes 2 and 3).....	<u>\$4,869,607</u>

STATEMENT OF SURPLUS - CAPITAL FUNDS
FOR THE YEAR ENDED JUNE 30, 1955

EXHIBIT C

Balance, July 1, 1954.....		\$60,549,732
Add:		
Capital outlay from non-capital funds, per School District records:		
School Current Fund.....	\$841,943	
Child Care Centers Fund.....	\$8,369	
Less portion charged current expenses by Controller.....	<u>7,968</u>	401
Special accumulative building fund.....	<u>5,750</u>	848,094
Proceeds of sale of property (Royal Property Fund only).....		13,883
Bonded debt matured during the year.....		2,323,000
Miscellaneous adjustments, net.....		<u>2,832</u>
Total.....		\$63,737,541
Less cost or assigned book value of properties sold or otherwise retired (see Note 1).....		<u>293,269</u>
Balance, June 30, 1955.....		<u>\$63,444,272</u>

The notes are on Exhibit D.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1955

- (1) Fixed capital properties and bonded debt and bond interest payable and accrued are not recorded in the accounts of the School District. The amounts shown in the foregoing balance sheet are those shown by the records of the Controller.

Bonded debt and bond interest are general obligations of the City and County of San Francisco and are not liabilities of the School District. They are shown in the proprietary balance sheet because the proceeds of the bonds were used to acquire School District properties.

The amounts shown for fixed capital properties do not represent cost of properties and equipment presently owned by the School District. Certain of the properties are included at appraised value. The accounts of the Controller will be relieved of equipment sold, exchanged, or otherwise disposed of in the amount of \$57,682 during the year ended June 30, 1955 in the succeeding fiscal year; consequently the equipment shown in the balance sheet as of June 30, 1955 is overstated to that extent.

- (2) Proceeds from the sale of land and buildings, in the amount of \$340,913, were credited to revenues of the Current Fund during the year. This amount, together with \$826,327 carried forward from the prior year, is available for appropriation for capital outlay purposes only. The Board of Education has appropriated \$760,440 of this amount, and the balance of \$406,800 is available for appropriation for capital outlay purposes in future years.

(Continued)

(3) Surplus of the current fund at June 30, 1955 consists of the following:

Appropriations to be carried forward into the next year:		
Expenditures committed.....	\$1,047,566	
Expenditure not yet committed - outlay for Silver and Thomas Avenues Elementary School.....	1,886,887	
Other.....	<u>88</u>	\$2,934,541
Unappropriated:		
Available only for capital outlay purposes.	\$ 406,800	
Available for general purposes.....	<u>1,528,266</u>	<u>1,935,066</u>
Total.....		<u>\$4,869,607</u>

A Federal grant receivable in future periods in the amount of \$1,125,478 will offset a portion of the appropriation for the Silver and Thomas Avenues Elementary School.

(4) Contingent liability for personal injury claims is estimated by the legal advisor to the Board of Education to be \$100,000 at June 30, 1955.

Contingent liability for workmen's compensation claims pending at June 30, 1955 is estimated by the Retirement Board of the City and County of San Francisco to be \$85,000.

(5) Revenue, other than from secured taxes, is recorded only as monies are received by or for the credit of the School District. This practice is consistent with that of preceding periods.

(Concluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT E

STATEMENT OF REVENUE AND EXPENDITURES
OF THE CURRENT FUND

FOR THE YEARS ENDED JUNE 30, 1955 AND 1954, AND COMPARISON

	YEAR ENDED JUNE 30,		INCREASE (DECREASE)
	1955	1954	
REVENUE - Schedule 1.....	\$34,355,999	\$34,733,859	\$ (377,860)
OPERATING EXPENDITURES:			
Administration.....	\$ 929,492	\$ 951,182	\$ (21,690)
Instruction.....	23,232,992	23,005,957	227,035
Auxiliary service.....	300,186	294,972	5,214
Operations.....	2,771,355	2,539,977	231,378
Maintenance.....	1,718,623	1,406,121	312,502
Fixed charges.....	3,653,816	3,682,225	(28,409)
Transportation of pupils.....	242,792	353,292	(110,500)
Food service.....	154,292	122,086	32,206
Community services.....	288,254	262,700	25,554
Tuition paid to other districts..	25,795	1,981	23,814
Total direct expenditures....	\$33,317,597	\$32,620,493	\$ 697,104
Auxiliary (indirect) services contributed by the Department of Public Health.....	463,272	455,762	7,510
Total operating expenditures - Schedule 2.....	\$33,780,869	\$33,076,255	\$ 704,614
REMAINDER.....	\$ 575,130	\$ 1,657,604	\$ (1,082,474)
NET CAPITAL OUTLAY FROM CURRENT FUNDS - Schedule 2.....	501,030	294,391	206,639
EXCESS OF REVENUE OVER EXPENDITURES	\$ 74,100	\$ 1,363,213	\$ (1,289,113)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT F

FUNDS BALANCE SHEET, JUNE 30, 1955

(As shown by accounts of the Controller)

ASSETS

	TOTAL	CASH AVAILABLE	ACCOUNTS RECEIVABLE	CONSTRUCTION		INTER-FUND ACCOUNTS	INVESTMENT
				GRANT RECEIVABLE	UNPAID BONDS		
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,711,656	\$ 4,792,661	\$ 790,789	\$ 1,125,478		\$ 2,728	
CAPITAL FUNDS:							
Real Property.....	\$ 83,425	\$ 83,425					
1948 School Bond.....	10,661,139	8,481,859			\$ 990,000	\$ 1,189,280	
Total - capital funds.....	\$ 10,744,564	\$ 8,565,284			\$ 990,000	\$ 1,189,280	
SPECIAL AND TRUST FUNDS:							
Child Care Centers.....	\$ 127,510	\$ 120,440	\$ 7,070				
Cafeterias.....	238,680	209,253	29,427				
Withholding Tax.....	588,633	588,633					
Teachers' Sabbatical Leave.....	3,350	3,350					
Teachers' Permanent.....	37,843	37,843					
Teachers' Annuity.....	22,294	22,294					
Veterans' Education.....	140	140					
Will C. Steinbrunn.....	15,176	10,176					
Anna Steinberg.....	1,000	1,000					\$ 5,000
Fund for the Advancement of Education.	330,546	330,546					
Total - special and trust funds.....	\$ 1,365,172	\$ 1,323,675	\$ 36,497				\$ 5,000
TOTAL.....	\$ 18,821,392	\$ 14,681,620	\$ 827,286	\$ 1,125,478	\$ 990,000	\$ 1,192,008	\$ 5,000

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

EXHIBIT

FUNDS BALANCE SHEET, JUNE 30, 1955
(As shown by accounts of the Controller)

LIABILITIES AND SURPLUS

	TOTAL	ENCUMBRANCES	INTER-FUND ACCOUNTS	RESERVE FOR DELINQUENT TAXES, PENALTIES, ETC.	FUND BALANCES			RETIREMENT TRUST, AND AGENCY FUND BALANCES
					UNENCUMBERED	UNAPPORTIONED BUT	APPROPRIATED	
SCHOOL DISTRICT CURRENT FUND.....	\$ 6,711.656	\$ 793.349	\$1,321.764	\$429.329	\$1,971.090		\$2,196.124	
CAPITAL FUNDS:								
Real Property.....	\$ 83,425	\$ 79			\$ 67,776		\$ 15,570	
1948 School Bond.....	10,661.139	3,841.142	\$ 842.710		5,933.192		44,095	
Total - capital funds.....	\$10,744,564	\$3,841.221	\$ 842.710		\$6,000,968		\$ 59,665	
SPECIAL AND TRUST FUNDS:								
Child Care Centers.....	\$ 127,510	\$ 23,967	\$ 14,452	\$ 1,175	\$ 5,014		\$ 82,902	
Cafeteria.....	238,680		11	1	5,000		233,668	
Withholding Tax.....	588,633							\$588,633
Teachers' Sabbatical Leave.....	3,350							3,350
Teachers' Permanent.....	37,843							37,843
Teachers' Annuity.....	22,294							22,294
Veterans' Education.....	140							140
Will C. Steinbrunn.....	15,176							15,176
Anna Steinberg.....	1,000							1,000
Fund for the Advancement of Education.	330,546	928						329,618
Total - special and trust funds.....	\$ 1,365,172	\$ 24,895	\$ 14,463	\$ 1,176	\$ 10,014		\$ 316,570	\$998,054
TOTAL.....	\$18,821,392	\$4,659,465	\$2,178,937	\$430,505	\$7,982,072		\$2,572,359	\$998,054

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1954

	ASSETS				INVENTORIES AND DEFERRED CHARGES	INVESTMENTS	FIXED CAPITAL PROPERTIES
	TOTAL	CASH	ACCOUNTS RECEIVABLE	INTER-FUND ACCOUNTS	UNPAID BONDS		
PROPRIETARY BALANCE SHEET (Exhibit A).....	\$126,817,233	\$17,107,853	\$1,689,321	\$ 10,377	\$7,194,655		\$100,815,027
ADD:							
Investments.....	\$ 5,000					\$5,000	
Inter-fund work order authorizations (contra).....	1,181,631			\$1,181,631			
1948 School Bonds unsold.....	990,000				\$990,000		
Reserve for unsecured property taxes.....	426,674		\$ 426,674				
Cash transfers outstanding not recorded by Controller.....	53,385	\$ 53,385					
Total additions.....	\$ 2,656,690	\$ 53,385	\$ 426,674	\$1,181,631	\$990,000	\$5,000	
DEDUCT:							
Fixed capital properties.....	\$100,815,027						\$100,815,027
Warrants and payroll deductions outstanding.....	2,456,158	\$ 2,456,158					
Revolving funds.....	4,550	4,550					
Bonds matured, unpaid.....	4,000	4,000					
Bond interest matured, unpaid.....	14,749	14,749					
Hume Foundation Trust Fund.....	161	161					
Accounts receivable:							
Tuition from other counties and districts not billed.....	157,176	\$ 157,176					
Salary overpayments.....	6,030	6,030					
Rentals.....	25	25					
Inventories and deferred charges.	7,194,655						
Total deductions.....	\$110,652,531	\$ 2,479,618	\$ 163,231				
FUNDS BALANCE SHEET (Exhibit F).....	\$ 18,821,392	\$14,681,620	\$1,952,764	\$1,192,008	\$990,000	\$5,000	\$100,815,027

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
RECONCILIATION OF PROPRIETARY BALANCE SHEET WITH FUNDS BALANCE SHEET, JUNE 30, 1955

EXHIBIT G

LIABILITIES AND SURPLUS

PROPRIETARY BALANCE SHEET (Exhibit A).....	ACCOUNTS		INTER-FUND ACCOUNTS	DEFERRED CREDITS	BONDED DEBT	BALANCE OF FUNDS
	TOTAL	BOND INTEREST				
ADD:	\$126,817,233	\$275,979	\$ 9,426,475	\$ 576,797	\$1,491,663	\$46,086,000 \$68,360,319
Investments.....	\$ 5,000					\$ 5,000
Inter-fund work order authorizations (contra).....	1,181,631					1,181,631
Inter-fund encumbrances.....			\$(1,602,140)	\$1,602,140		990,000
1948 School Bonds unpaid.....	990,000					990,000
Reserve for unsecured property taxes.....	426,674			\$ 426,674		
Items deferred by Controller not deferred by School District.....				86		(86)
Cash transfers outstanding.....	53,385					53,385
Total additions.....	\$ 2,556,690		\$(1,602,140)	\$ 426,760		\$ 2,229,930

DEDUCT:

Fixed capital properties, less bonded debt....	\$100,815,027				\$46,082,000	\$54,733,027
Warrants and payroll deductions outstanding....	2,456,158		\$ 2,456,158			
Transfer balance of withholding tax, teachers' sabbatical leave, permanent, and annuity funds to accounts payable.....						
Revolving funds.....	4,550		652,119			(652,119)
Bonds matured, unpaid.....	4,000				4,000	4,550
Bond interest matured, unpaid.....	14,749	\$ 14,749				(261,230)
Bond interest accrued, not due.....	261,230					161
Hume Foundation Trust Fund.....	161					
Accounts receivable deferred credits:						
Items not recorded in Controller's records....	163,231			\$ 163,231		(1,324,612)
Items credited to income by Controller.....				1,324,612		
Other deferred credits not deferred by Controller.....				75		(75)
Inventories and deferred charges.....	7,194,655					7,194,655
Excess of accounts payable and encumbrances as shown by School District records over these obligations as shown by Controller's records						
Total deductions.....						
FUNDS BALANCE SHEET (Exhibit F).....	\$110,652,531	\$275,979	\$ 3,164,870	\$1,487,918	\$46,086,000	\$59,637,764
	\$18,821,392		\$ 4,659,465	\$2,178,937	\$ 430,505	\$11,552,485

Unappropriated balances..... \$ 4,819,119
Unencumbered appropriations..... 7,082,072
Trust Funds..... 958,294

Total..... \$11,552,485

(Excluded)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 1

REVENUE OF THE CURRENT FUND FOR THE YEARS ENDED
JUNE 30, 1955 AND 1954, AND COMPARISON

	YEAR ENDED JUNE 30, 1955	1954	INCREASE (DECREASE)
PROPERTY TAXES AND PENALTIES.....	\$19,977,771	\$20,637,381	\$(659,610)
APPORTIONMENTS FROM STATE OF CALIFORNIA (see Note 5):			
Elementary schools.....	\$ 7,439,626	\$ 7,119,817	\$ 319,809
High schools and City College.....	3,780,251	3,650,528	129,723
Retirement subventions.....	922,054	803,158	118,896
Total.....	\$12,141,931	\$11,573,503	\$ 568,428
OTHER REVENUE (see Note 5):			
San Francisco Housing Authority - in lieu of taxes.....	\$ 54,844	\$ 109,105	\$ (54,261)
Federal and state vocational education.....	54,693	57,461	(2,768)
Reimbursement for veterans' vocational training.....	112,586	238,477	(125,891)
Tuition from other counties and districts.....	321,804	353,181	(31,377)
Rentals.....	362,940	364,083	(1,143)
Public Law 874 and other Federal aid.....	608,619	470,180	138,439
Federal construction grants.....	179,053	432,000	(252,947)
Miscellaneous.....	78,486	42,726	35,760
Total.....	\$ 1,773,025	\$ 2,067,213	\$(294,188)
Total direct revenues.....	\$33,892,727	\$34,278,097	\$(385,370)
AUXILIARY (INDIRECT) REVENUE:			
Services of physicians, dentists and nurses of the Department of Public Health.....	463,272	455,762	7,510
TOTAL REVENUES.....	\$34,355,999	\$34,733,859	\$(377,860)

The notes are on Exhibit D.

SAN FRANCISCO UNIFIED SCHOOL DISTRICT

SCHEDULE 2

EXPENDITURES OF THE CURRENT FUND
FOR THE YEARS ENDED
JUNE 30, 1955 AND 1954, AND COMPARISON

	<u>YEAR ENDED JUNE 30,</u>		<u>INCREASE</u>
	1955	1954	(DECREASE)
ADMINISTRATION:			
Salaries.....	\$ 758,367	\$ 744,342	\$ 14,025
Supplies.....	44,499	47,665	(3,166)
Travel expense.....	13,207	14,529	(1,322)
Miscellaneous.....	113,419	144,646	(31,227)
Total.....	<u>\$ 929,492</u>	<u>\$ 951,182</u>	<u>\$ (21,690)</u>
INSTRUCTION - SALARIES:			
Supervision.....	\$ 446,463	\$ 408,915	\$ 37,548
Elementary schools.....	9,554,896	9,700,097	(145,201)
Special schools.....	569,836	552,225	17,611
Junior high schools.....	4,167,401	3,871,874	295,527
Senior high schools.....	4,205,929	4,225,811	(19,882)
Adult schools.....	816,881	859,498	(42,617)
Trade and industrial schools.....	373,192	378,686	(5,494)
Continuation school.....	172,178	175,281	(3,103)
City College.....	1,773,183	1,713,736	59,447
Total.....	<u>\$22,079,959</u>	<u>\$21,886,123</u>	<u>\$193,836</u>
INSTRUCTION - SUPPLIES AND			
OTHER EXPENSES:			
Educational supplies.....	\$ 635,515	\$ 627,027	\$ 8,488
Books.....	256,512	244,735	11,777
Travel expense.....	23,552	19,498	4,054
Miscellaneous.....	237,454	228,574	8,880
Total.....	<u>\$ 1,153,033</u>	<u>\$ 1,119,834</u>	<u>\$ 33,199</u>
AUXILIARY SERVICES:			
Compulsory education.....	\$ 165,953	\$ 165,083	\$ 870
Guidance service centers.....	94,350	91,661	2,689
Student placement service.....	23,502	22,072	1,430
Nurse service.....	9,840	9,240	600
Miscellaneous.....	6,541	6,916	(375)
Total.....	<u>\$ 300,186</u>	<u>\$ 294,972</u>	<u>\$ 5,214</u>
Total (forward).....	<u>\$24,462,670</u>	<u>\$24,252,111</u>	<u>\$210,559</u>

(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Total (forward).....	\$24,462,670	\$24,252,111	\$ 210,559
OPERATION:			
Janitors, engineers and gardeners:			
Salaries.....	\$ 1,941,311	\$ 1,801,557	\$ 139,754
Supplies.....	122,062	113,379	8,683
Gas and electricity.....	334,765	269,691	65,074
Fuel.....	53,647	65,956	(12,309)
Water.....	56,342	55,101	1,241
Miscellaneous.....	263,228	234,293	28,935
Total.....	\$ 2,771,355	\$ 2,539,977	\$ 231,378
MAINTENANCE:			
Repairs:			
Buildings and grounds.....	\$ 1,427,342	\$ 1,148,034	\$ 279,308
Janitors' equipment.....	3,391	8,583	(5,192)
Educational equipment.....	261,586	230,788	30,798
Miscellaneous.....	26,304	18,716	7,588
Total.....	\$ 1,718,623	\$ 1,406,121	\$ 312,502
FIXED CHARGES:			
Rents.....	\$ 9,908	\$ 9,981	\$ (73)
Insurance.....	48,318	74,706	(26,388)
Compensation and accident claims...	39,328	97,281	(57,953)
Contributions to retirement system:			
City.....	3,506,598	3,455,467	51,131
State.....	44,820	45,198	(378)
Miscellaneous.....	4,844	(408)	5,252
Total.....	\$ 3,653,816	\$ 3,682,225	\$ (28,409)
TRANSPORTATION OF PUPILS.....	\$ 242,792	\$ 353,292	\$ (110,500)
FOOD SERVICE:			
Cafeteria supervision.....	\$ 67,202	\$ 47,007	\$ 20,195
Cafeteria maintenance.....	31,846	25,661	6,185
Free meals.....	22,019	20,813	1,206
Health classes and other expenses..	33,225	28,605	4,620
Total.....	\$ 154,292	\$ 122,086	\$ 32,206
Total (forward).....	\$33,003,548	\$32,355,812	\$ 647,736

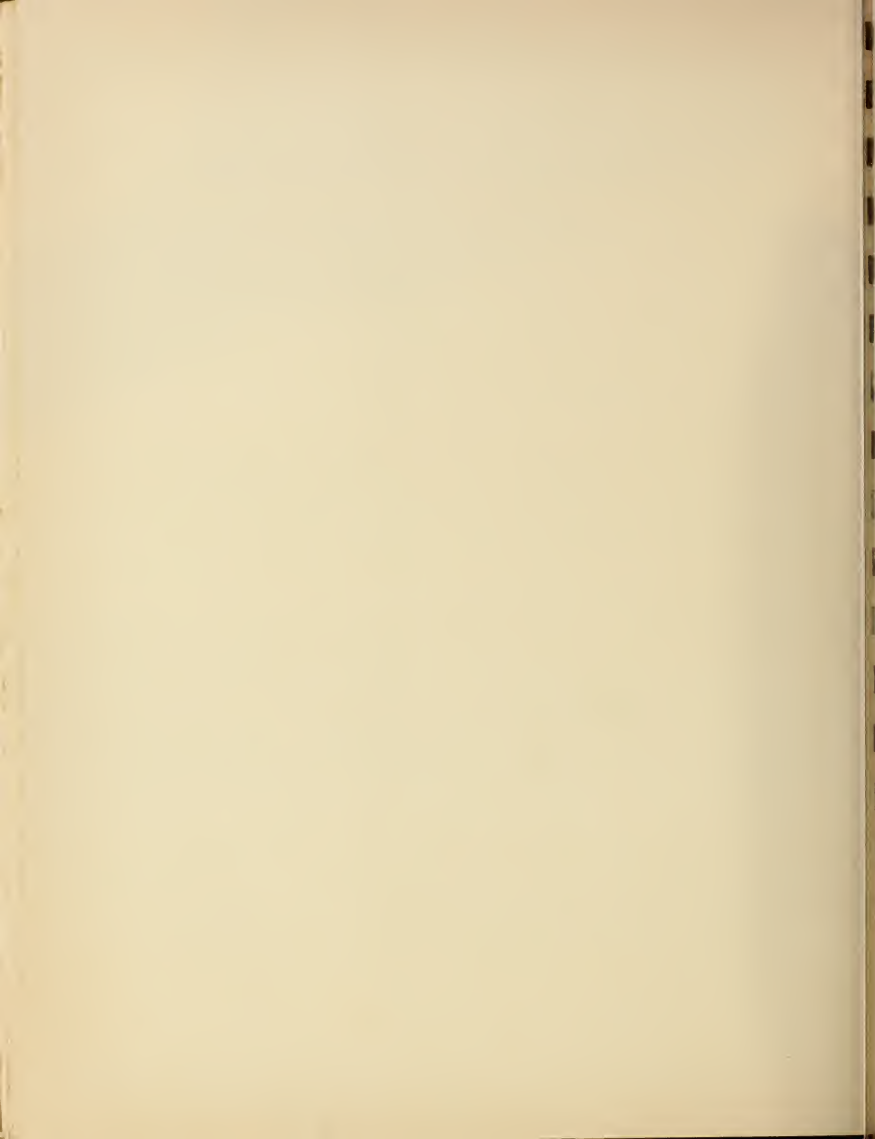
(Continued)

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
EXPENDITURES

SCHEDULE 2

	YEAR ENDED JUNE 30,		INCREASE
	1955	1954	(DECREASE)
Total (forward).....	\$33,003,548	\$32,355,812	\$ 647,736
COMMUNITY SERVICES:			
Recreation program.....	\$ 172,188	\$ 160,124	\$ 12,064
Veterans' counseling.....	63,707	54,952	8,755
Civic Center activities.....	52,359	47,624	4,735
Total.....	\$ 288,254	\$ 262,700	\$ 25,554
TUITION PAID TO OTHER DISTRICTS.....	\$ 25,795	\$ 1,981	\$ 23,814
TOTAL DIRECT EXPENDITURES.....	\$33,317,597	\$32,620,493	\$ 697,104
AUXILIARY (INDIRECT) SERVICES			
CONTRIBUTED BY DEPARTMENT OF			
PUBLIC HEALTH:			
Medical inspection.....	\$ 90,401	\$ 85,452	\$ 4,949
Dental inspection.....	49,289	46,886	2,403
Nurse service.....	323,582	323,424	158
Total.....	\$ 463,272	\$ 455,762	\$ 7,510
TOTAL OPERATING EXPENDITURES.....	\$33,780,869	\$33,076,255	\$ 704,614
CAPITAL OUTLAY FROM CURRENT FUNDS:			
Land.....	\$ 37,289	\$ 172,344	\$(135,055)
Buildings and improvements.....	318,034	170,306	147,728
Equipment.....	486,620	445,166	41,454
Total.....	\$ 841,943	\$ 787,816	\$ 54,127
Less sale of land and buildings			
(see Note 2, Exhibit D).....	340,913	493,425	(152,512)
NET CAPITAL OUTLAY FROM CURRENT FUNDS	\$ 501,030	\$ 294,391	\$ 206,639

(Concluded)



City and County of San Francisco
Employees' Retirement System



REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1955

NEW YORK
CHICAGO
ATLANTA
BOSTON
CLEVELAND
DALLAS
DENVER
DETROIT
HOUSTON
KANSAS CITY
LOS ANGELES

ARTHUR YOUNG & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

120 MONTGOMERY STREET

SAN FRANCISCO 4

MILWAUKEE
PHILADELPHIA
PITTSBURGH
SAN FRANCISCO
TOLEDO
TULSA
WICHITA
—
CANADA
ENGLAND
FRANCE
VENEZUELA

October 27, 1955

The Honorable Harry D. Ross, Controller,
City and County of San Francisco,
San Francisco, California

We have examined the statements of net assets and reserves to meet liabilities for benefits of San Francisco City and County Employees' Retirement System at June 30, 1955, and the related statement of changes in reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements described above present fairly the financial position of San Francisco City and County Employees' Retirement System at June 30, 1955, and the results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

SUMMARY OF AUDITING PROCEDURES

In determining the extent of our auditing procedures we took into account the accounting procedures and system of internal control of the System.

Cash on deposit with the Treasurer of the City and County of San Francisco has been confirmed and reconciled to the amount shown by the books.

Amounts due from the City and County of San Francisco representing City contributions in the course of collection, and like amounts representing members' contributions in the course of collection, have been confirmed and reconciled to the amounts shown by the books.

Investments in bonds were verified at June 30, 1955, by examination of the securities in the custody of the Treasurer of the City and County

of San Francisco, and by confirmation from appropriate agencies for bonds purchased but not received, and bonds in the course of redemption. No compilation of market values has been made.

Interest receivable on investments represented by interest coupons in the course of collection, and by interest accrued, was verified either by confirmation or calculation.

Statements of accumulated contributions as of June 30, 1955, were delivered to all members requesting that we be advised of any inaccuracies. All reports of differences were minor in number and amount, and were delivered to officials of the System for investigation.

The records of operations for the year ended June 30, 1955, have been reviewed. Tests have been made of members' contributions with the payroll records of the Controller of the City and County of San Francisco; and of disbursements to or for account of members for pension, withdrawal, or death, and for administrative expenses, with the records of original entry and supporting data.

Arthur Young & Company

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMNET ASSETS JUNE 30, 1955

ASSETS:

Cash		\$ 3,361,430.88
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Receivables:

Employees' contributions in process of collection	\$ 620,180.37	
Contributions and reimbursements due from City and County of San Francisco	569,864.72	
Bond interest accrued	<u>1,166,870.63</u>	

Total receivables	2,356,915.72
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Bond investments, at cost less amortization:

(par value \$158,319,000)

United States Government	66,542,031.72
California municipalities, school districts, and other divisions	9,999,596.77
Municipalities other than California	4,870,746.15
Railroads	328,970.26
Railroad equipment trusts	16,757,755.58
Railroad terminals	1,660,868.37
Public utilities	<u>57,915,803.08</u>

Total bond investments at amortized value	<u>158,075,771.93</u>
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Total assets	163,794,118.53
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LIABILITIES:

Payable to City and County of San

Francisco:

Unexpended tax appropriations	169,380.18
Other	1,308.28
Unexpended donations for actuarial surveys	1,750.00
Death benefits on deposit	<u>20,451.81</u>

Total liabilities	<u>192,890.27</u>
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NET ASSETS (Reserved for benefits

- Exhibit A-1)

\$ <u><u>163,601,228.26</u></u>

See accompanying notes to financial statements and report of
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMRESERVES TO MEET LIABILITIES FOR BENEFITS JUNE 30, 1955

RESERVES FOR CURRENT SERVICE BENEFITS ALREADY GRANTED:

Service retirements provided from:	
Members' contributions	\$ 8,841,774.77
Employers' contributions	23,149,155.21
Disability retirements provided from:	
Members' contributions	813,194.25
Employers' contributions	8,252,359.16
Industrial death allowances provided from:	
Members' contributions	149,962.35
Employers' contributions	<u>1,647,078.74</u>
Total reserves for current service benefits already granted	42,853,524.48

RESERVES FOR CURRENT SERVICE BENEFITS

NOT YET GRANTED:

Members' accumulated normal contributions:	
General	\$ 42,418,686.42
Police	5,169,210.79
Fire	4,171,735.74
Members' accumulated additional contributions	<u>1,007,516.30</u>
	52,767,149.25
City and County of San Francisco accumulated contributions	<u>57,759,318.37</u>
Total reserves for current service benefits not yet granted	110,526,467.62

PRIOR SERVICE BENEFITS (Note 1)

GENERAL RESERVES:

City and County of San Francisco contributions reserved for prior and current service benefits not otherwise funded	2,515,124.93
Unallocated gains on sales of bonds	2,558,030.40
Contingency reserve against adverse experience	5,124,820.03
Unclaimed contributions of former members	<u>23,260.80</u>
Total other reserves	10,221,236.16
Total reserves	<u>\$ 163,601,228.26</u>

See accompanying notes to financial statements and report of
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

CHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1955

ADDITIONS TO RESERVES:

Contributions of members for current service reserves:

Normal:

General	\$ 6,011,905.47		
Police	696,795.17		
Fire	<u>568,158.40</u>	\$ 7,276,859.04	
Additional		89,152.30	
Redeposit of normal contributions previously withdrawn		<u>8,706.32</u>	\$ 7,374,717.66

Contributions of City and County of San Francisco for current service reserves:

General	8,287,004.22		
Police	1,954,853.84		
Fire	<u>1,672,813.98</u>	11,914,672.04	

Reimbursement by the City and County of San Francisco (contra):

Current service benefits:

Police	172,044.67		
Fire	<u>832,120.39</u>	1,004,165.06	

Prior service benefits:

General	815,857.28		
Police	848,641.87		
Fire	<u>1,407,794.18</u>	<u>3,072,293.33</u>	15,991,130.43

Other additions:

Bond interest earned		4,234,196.43	
Gains from sales and redemptions of bonds		67,850.50	
Other		<u>1,420.61</u>	<u>4,303,467.54</u>

Total additions to reserves			<u>\$ 27,669,315.63</u>
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See accompanying notes to financial statements and report of
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEMCHANGES IN RESERVES FOR YEAR ENDED JUNE 30, 1955

(Continued)

Total additions to reserves		\$ 27,669,315.63
Deductions from reserves:		
Allowances and benefits paid:		
From contributions for		
current service reserves:		
Members	\$ 1,487,751.81	
City and County of		
San Francisco	3,430,425.77	
From reimbursements		
by the City and County		
of San Francisco (contra):		
Current service		
benefits	1,004,165.06	
Prior service		
benefits	<u>3,072,293.33</u>	\$ 8,994,635.97
Accumulated contributions		
withdrawn		959,695.20
Net interest credited to		
death benefits on deposit		<u>515.65</u>
Total deductions from reserves		<u>9,954,846.82</u>
Net additions to reserves		17,714,468.81
Reserves at June 30, 1954	145,884,934.81	
Reclassifications at July 1, 1954:		
Death benefits on deposit, re-		
classified under "liabilities"	<u>21,436.16</u>	
	145,863,498.65	
Unclaimed contributions of		
former members, reclassified		
under "reserves"	<u>23,260.80</u>	
Reserves at July 1, 1954		<u>145,886,759.45</u>
Reserves at end of year		\$ <u>163,601,228.26</u>

See accompanying notes to financial statements and report of
Arthur Young & Company dated October 27, 1955

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS JUNE 30, 1955

- Note 1: All prior service benefits and certain current service benefits are a liability solely of the City and County of San Francisco and are not, therefore, included in the Reserves to meet liabilities for benefits of the San Francisco City and County Employees' Retirement System.
- Note 2: The Charter of the City and County of San Francisco provides that the San Francisco City and County Employees' Retirement System is to act as the administrative agency in the matter of compensation insurance for all employees of the City. The Consulting Actuary has estimated the future liability at June 30, 1955 of the City and County of San Francisco for compensation claims pending under the workmen's compensation laws of the State of California to be \$1,246,000.
- Note 3: Administrative expenses of the System, and compensation costs incurred as the administrative agency of the City for industrial compensation insurance, being liabilities of the City and County of San Francisco, do not, therefore, affect the reserves of the System. The following tabulation sets forth transactions of this nature for the year ended June 30, 1955:

Administrative expenses of the System		\$ 209,638.02
Compensation insurance costs incurred:		
Weekly benefits	\$ 194,853.27	
Medical expenses	234,048.05	
Premiums	3,243.70	
Administrative expense	<u>19,897.00</u>	
	452,042.02	
Less: Refunds from special funds and subrogation recoveries	<u>239,194.44</u>	<u>212,847.58</u>
Reimbursements received from the City and County of San Francisco		<u>\$ 422,485.60</u>

The San Francisco City and County Employees' Retirement System was established by the Board of Supervisors of the City and County of San Francisco on April 1, 1922, under authority of Article XVII of the Charter adopted at a general election on November 2, 1920. At that time the System provided for retirement allowances and death benefits for employees of the City other than uniformed members of the Police and Fire Departments and the San Francisco Unified School District. In 1925 membership was extended to include employees of the San Francisco Unified School District. Under the City Charter effective January 8, 1932, establishing the present name and administrative organization of the System, membership was extended to uniformed employees of the Police and Fire Departments. Prior to this time all such police and firemen were members of a separate pension plan. At June 30, 1955, there were more than 19,000 employees, and more than 4,500 retired employees or their beneficiaries receiving monthly benefits.

Membership in the System is now compulsory for all full-time employees of the City and the San Francisco Unified School District, permanent civil service part-time employees, and certain elective officials. Hereafter in this report the use of the term "City" will refer, wherever appropriate, to the agencies employing members described in the preceding sentence.

Retirement benefits are based upon current service and prior service. Current service benefits fall into two categories; reserve and non-reserve; while past service benefits are in the non-reserve category only.

The reserve category of current services comprises contributions made by members and by the City, computed upon percentages of employees' earnings determined by the Consulting Actuary and based upon actuarial valuations made at intervals not exceeding six years. These percentages are approved by the Retirement Board. Upon approval of the Retirement Board members have the right to make additional voluntary contributions, but, for members who so elect, no additional contributions are required of the City. The total of normal and additional contributions is substantially limited to fifteen per cent of earnings.

The non-reserve category of current service benefits, and all prior service benefits, being a liability solely of the City (except as indicated hereunder with respect to police under Section 166 of the City Charter), are not reflected in the statement of "Reserves to meet liabilities for benefits." Since the System administers these benefits, the payments made by

it and the reimbursements thereof by the City appear as off-setting items in the statement of "Changes in Reserves." That portion of the reimbursement based upon current services is for payments made to certain uniformed employees of the Fire Department under Section 169 of the City Charter. Similar payments for current service of uniformed employees of the Police Department, under Charter Section 166, include nominal contributions by these members.

In addition to retirement benefits based upon length of service, the System provides for the payment of disability pensions, and allowances on account of service-connected death. Certain other death benefits are also available to beneficiaries of deceased members.

The cost of administering the System is a liability of the City. The System acts as the administrative agency for the payment of compensation insurance to all employees of the City. For these reasons the administrative expense and compensation costs incurred are shown as notes on the statement of Changes in Reserves rather than in the body of that statement.

The System is administered by the Retirement Board, which has exclusive control of the funds of the System. The Board consists of the President of the Board of Supervisors, the City Attorney, a resident official of a life insurance company, and an officer of a bank, the latter two of whom are appointed by the Mayor, and three persons elected by and from the active membership. The Board appoints a Secretary and a Consulting Actuary.

The present members of the Retirement Board are George J. Christopher, President of the Board of Supervisors; Dion R. Holm, City Attorney, whose designated representative is Norman S. Wolff, Assistant City Attorney; Harry J. Stewart, of West Coast Life Insurance Company; Belford Brown, of First Western Bank and Trust Company. The three persons elected from the active membership are John F. Brady, President of the Retirement Board, Anselm B. Crowley, and William J. Murphy. Ira G. Thompson is Secretary and Ralph R. Nelson is Consulting Actuary.

CHANGES IN RESERVES

Except for minor differences which are being corrected, contributions of members and contributions by the City for current service reserves were made in accordance with rates recommended by the Consulting

Actuary and approved by the Board. The City's contributions were based upon rates established by an actuarial survey as of June 30, 1951, adjusted in accordance with subsequent amendments to the Charter, as follows:

<u>Department</u>	<u>Charter Section</u>	<u>Rates</u>
Police Department	168.1	21.062%
Fire Department	171.1	21.662
Municipal Railway	165.2	6.502
Water Department	165.2	10.605
All other departments	165.2	12.553

The reimbursement by the City of certain current and prior service benefits was made in the manner described on page 9 of this report.

Bond interest earned represents interest collected or accrued, plus the excess of amortization of discounts over premiums, less a portion of prior years' gains on sales of bonds. Bond interest earned, less amounts allocated to reserve accounts at the rate of 2 1/2% per annum, is credited to the "Contingency reserve against adverse experience account" as explained under the caption, "Reserves."

Gains of \$67,850.50 were realized from the sale and redemption of bonds during the year. Upon approval of the Retirement Board, the excess of proceeds received over the book value of certain bonds called were applied to reduce the book value of other bonds considered as purchased with the proceeds of the redeemed bonds. This excess of \$57,765.72 is shown as an increase in the reserve for unallocated gains on the sales of bonds. The remainder, \$10,084.78, increasing the Contingency reserve against adverse experience, represents gain on bonds sold, the proceeds from which were not considered by the Board as reinvested in other bonds purchased.

The allowances and benefits paid during the year are classified as follows:

Service retirements	\$ 6,036,240.13
Disability retirements	1,615,992.73
Industrial death allowances	592,123.50
Death benefits to members' beneficiaries	571,157.42
Death benefits to beneficiaries of retired members	<u>179,122.19</u>
Total	<u>\$ 6,994,635.97</u>

NET ASSETS

Cash

Cash is in the custody of the Treasurer of the City and County of San Francisco.

Certain warrants amounting to \$56,335.47, which were cancelled by the Controller's Department after they had remained unpaid for a period of six months, are being carried as outstanding warrants in the accounts of the System and have been deducted to arrive at the cash balance. Warrants comprising a substantial portion of the above sum have been outstanding more than the statutory period within which claims of this nature are legally enforceable.

Receivables

Employees' contributions in the process of collection, \$620,180.37, are amounts withheld from the employees' salaries for the month of June 1955, and contributions for the months of May and June 1955 to be remitted by the City and County in behalf of certain employees on military leave.

Contributions and reimbursements due from the City and County of San Francisco are summarized as follows:

Contributions for current service reserves due from public utilities and special funds	\$ 496,640.11
Contributions of policemen paid to the Police Relief and Pension Fund prior to January 8, 1932	52,755.26
Reimbursement for insurance compensation costs	<u>20,469.35</u>
Total	\$ <u>569,864.72</u>

The amounts due from public utilities and special funds are for the City's share of contributions for the months of May and June, 1955.

Funds contributed by policemen prior to January 8, 1932, to a former pension plan were not transferred to the System upon their admission to membership on that date. These contributions will be collected from the City upon the separation, death, or retirement of members of the former pension plan.

The amounts due for insurance compensation costs under the Labor Code of the State of California represent disbursements made by the System for account of various governmental departments.

Bond interest accrued, \$1,166,870.63, represents coupons in

the process of collection and accrued interest computed from the interest dates of the respective bond issues.

Bond investments at cost less amortization

Bonds owned by the System are held in the joint custody of the Treasurer and the Controller of the City and County of San Francisco. The amount of \$158,075,771.93 represents the purchase price of bonds owned, adjusted for amortization of premiums and discounts from the purchase dates to June 30, 1955.

None of the bonds owned appeared in default as to principal or interest. A letter of representation was obtained from Mr. Ira G. Thompson, to the effect that all bonds are of the character legal for investment by insurance companies in the State of California, the criterion for the System established by the Charter.

Liabilities

Unexpended tax appropriations, \$169,380.18, payable to the City and County of San Francisco, is the excess of appropriations over requirements for the year ended June 30, 1955, and is analyzed as follows:

Balance, June 30, 1954		\$ 971,485.30
Returned to General Fund	\$ 971,485.30	
Refunded to Recreation and Park Fund, amount transferred erroneously during year ended June 30, 1954, to provide funds for supplemental appropriations	8,600.00	980,085.30
		(8,600.00)
Tax appropriations allocated to Retirement System for current year	10,618,784.10	
Less: Charges for current and prior service and other costs	10,440,803.92	177,980.18
Balance, June 30, 1955		\$ 169,380.18

Opinion number 881 of the City Attorney, dated September 24, 1954, provides that the excess in appropriations made to the System subsequent to July 1, 1946, is to be returned to the General Fund in compliance with Section 80 of the Charter. Amounts of this nature accumulated prior to July 1, 1946, are retained in the reserves by the System.

Death benefits on deposit, \$20,451.81, represent sums payable monthly to beneficiaries of deceased members.

RESERVES TO MEET LIABILITIES FOR BENEFITS

Current service benefits already granted, \$42,853,524.48, represent the balance in the reserves available for pensions of retired and deceased members.

As previously explained, funds for the prior service portion of all benefits granted to retired members, and the allowances for members retired under Sections 166 and 169 of the Charter, are not reflected in the reserves of the System, but are reimbursed monthly by the City.

Bond interest earned was allocated to reserves at the rate of 2 1/2% per annum, and the balance to Contingency reserve against adverse experience.

Current service benefits not yet granted, \$110,526,467.62, are comprised of the balances at June 30, 1955, of the accumulated members' contributions of \$52,767,149.25, including interest credited thereto, and accumulated contributions of the City, \$57,759,318.37, including interest.

Individual account balances are maintained by the System for accumulated members' contributions and interest. Separate accounts for individual members are not maintained for contributions of the City.

City and County of San Francisco contributions reserved for prior and current service not otherwise funded, \$2,515,124.93, consist of contributions made prior to July 1, 1946 by the City for police and firemen under Sections 166 and 169 of the Charter not required by reason of death or withdrawal of the members; together with contributions transferred since June 30, 1946, under "matching plans" as tabulated hereunder. Transfers are made from this reserve to the reserve for disability retirements, in the amounts recommended by the Consulting Actuary to maintain the actuarial present cash value of that portion of the reserve pertaining to members retired under matching plans. This reserve is also reduced for certain death benefits, and for the restoration of matching City contributions in connection with redeposit of contributions of members previously withdrawn. Changes during the year under review were as follows:

Balance at June 30, 1954

\$ 2,490,740.35

Increases:

Matching contributions re-
leased on withdrawal of
active members

\$ 40,279.30

Matching contributions re-
leased on death of active
members

27,478.19

Interest credited to reserve

111,651.02

179,400.51

2,670,148.59

Decreases:

Amount allocated to the reserve
for disability pensions:

Required at June 30, 1955

2,062,609.41

Required at June 30, 1954

1,988,216.66

Increase in amount allocated

74,392.55

Death benefits paid to beneficiaries
of matching plan members

77,372.15

Amount transferred on account of
redeposit of members' con-
tributions previously with-
drawn

3,259.26

155,023.96

\$ 2,515,124.93

Unallocated gains on sales of bonds, \$2,558,030.40, represent the unabsorbed portion of gains from the sales of certain bonds, the proceeds of which were considered by the Retirement Board as reinvested in other bonds purchased. These gains are being distributed over the life of the bonds purchased as follows:

Gains realized from sales of bonds:

Year ended June 30, 1943

\$ 400,421.35

1944

1,418,102.36

1945

3,207,543.26

1954

31,050.49

1955

57,765.72

5,114,883.16

Applied for eleven years ended June 30, 1954

2,357,203.47

2,757,679.71

Applied for year ended June 30, 1955

199,649.31

Unallocated gains at June 30, 1955

\$ 2,558,030.40

Contingency reserve against adverse experience, \$5,124,820.03, represents the excess of interest earned on bond investments over amounts allocated annually to reserve accounts, as well as gains of \$2,574,081.44

from the sales of bonds in prior years. This reserve, established to meet possible deficiencies in interest of future years, losses on investments, and other contingencies, was approved by the Retirement Board on December 1, 1948.

Changes in the reserve during the year are:

Balance, June 30, 1954	\$ 4,304,443.04
Bond interest earned during the year	\$ 4,234,196.43
Gain on bonds sold and called during the year	10,084.78
Prior years' gains on sales of bonds applied during the year	199,649.31
Interest earned on City and County of San Francisco balance	<u>1,420.61</u>
Total	<u>4,445,351.13</u>
	8,749,794.17
Less interest credited to accumulated reserves for current service benefits	<u>3,624,974.14</u>
Balance, June 30, 1955	\$ <u>5,124,820.03</u>

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Treasurer's Office

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REPORT ON EXAMINATION OF ACCOUNTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1955

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

October 28, 1955

Mr. Harry D. Ross
Controller
City and County of San Francisco

OFFICE OF THE TREASURER
Report on Examination of Accounts
Fiscal Year Ended June 30, 1955

Dear Sirs:

In accordance with your instructions and pursuant to provisions of Charter Section 66, an examination, to the extent outlined in this report, was made of the office of the Treasurer of the City and County of San Francisco for the Fiscal Year ended June 30, 1955.

Mr. David F. Supple, Grand Jury Statistician, participated in this examination.

AUTHORITY

Operations of the Treasurer's Office are governed by provisions of the General Laws of the State of California, the City and County Charter, and ordinances and resolutions of the Board of Supervisors. The Laws pertaining to those operations are cited in audit reports of prior years. Pertinent excerpts on current laws are cited in applicable sections of this report.

SCOPE OF EXAMINATION

Examination was made of accounts and records maintained by the Treasurer, including a verification of moneys and securities received and disbursed during the fiscal year and the accountability thereof as at June 30, 1955, according to the Controller's records, as hereinafter reported. In view of the existing methods of internal check and continuous audits of receipts and disbursements maintained between the office of the Treasurer and Controller, a detailed audit thereof was not duplicated by this examination.

Cash on hand was verified June 30, 1955, by count. Cash in banks was reconciled with the Treasurer's records and confirmed direct to this office by the several depositaries.

Securities and other assets in the custody of the Treasurer, June 30, 1955, were verified as hereinafter reported.

Revenues and expenditures in connection with the operation of the Treasurer's Office during fiscal year were confirmed against the Controller's records.

Unused pre-numbered fee tags in possession of the Treasurer were in agreement with fee tags charged to the Treasurer by the Controller's Revenue Division.

EXAMINATION

The Treasurer's accountability for cash and securities as at June 30, 1955, amounted to \$343,788,447.69, as compared with June 30, 1954 accountability of \$335,133,088.26, summarized as follows:

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Cash and Cash Items	\$ 83,336,033.69	\$ 84,846,611.76
Securities (Par Value Bonds)	260,446,975.00	250,281,437.50
Other Deposits (Corporate Stock)	<u>5,439.00</u>	<u>5,039.00</u>
Total Exhibit "A"	<u>\$343,788,447.69</u>	<u>\$335,133,088.26</u>

Cash and cash items totaling \$83,336,033.69, as detailed in Exhibit "A", were in agreement with the total charged to the Treasurer by the Controller as at that date, as indicated in the following comparative summary:

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Cash and Cash Items on Hand	\$ 1,573,909.04	\$ 1,187,022.11
Cash in Banks	80,891,708.34	82,930,764.88
United States Bonds (Par Value)	<u>102,900.00</u>	<u>69,300.00</u>
	\$ 82,568,517.38	\$ 84,187,086.99
Deposits received after June 30th, applicable to fiscal year under review	<u>767,516.31</u>	<u>659,524.77</u>
Total June 30th, per Treasurer and Controller	<u>\$ 83,336,033.69</u>	<u>\$ 84,846,611.76</u>

The above \$83,336,033.69 was reconciled with Controller's available cash of \$73,266,580.95; the difference of \$10,069,452.74 consists of outstanding items per Controller's Division of Accounts and Reports, as follows:

	<u>General City</u>	<u>Public Service Enterprises</u>	<u>Total</u>
Warrants Outstanding	\$8,394,297.93	\$1,569,617.31	\$ 9,963,915.24
Matured and Unpaid Bonds	9,000.00	38,200.00	47,200.00
Matured and Unpaid Bond Coupons	<u>7,168.75</u>	<u>51,168.75</u>	<u>58,337.50</u>
Total	<u>\$8,410,466.68</u>	<u>\$1,658,986.06</u>	<u>\$10,069,452.74</u>

CASH AND CASH ITEMS ON HAND

The sum of \$1,573,909.04 consists of:

<u>Item</u>		<u>Audit Comment</u>
Coin and Currency	\$ 952,938.94	Verified by count.
Checks on Hand for Deposit	620,141.15	All current; deposited in bank 7-1-55.
Due from Clearing House	<u>828.95</u>	Adjusted on next day's clearing.
Total	<u>\$1,573,909.04</u>	

CASH IN BANKS \$80,891,708.34

Cash confirmed directly to be on deposit in banks at the close of business June 30, 1955, in the amount of \$81,251,540.29, as detailed in Exhibit A-1, was reconciled with balances reflected on the Treasurer's records totaling \$80,891,708.34; segregated as follows:

Bank	Amount of Deposit		Total	Per Cent
	Inactive	Active		
American Trust Co.	\$ 4,000,000.00	\$ 3,726,071.97	\$ 7,726,071.97	9.55%
Anglo Calif. National Bank	7,375,000.00	2,016,823.17	9,391,823.17	11.60%
Bank of America	21,050,000.00	14,102,730.17	35,152,730.17	43.46%
Bank of Canton	500,000.00	500,000.00	1,000,000.00	1.24%
Bank of California	4,250,000.00	2,239,404.76	6,489,404.76	8.02%
Bank of Montreal	500,000.00	500,000.00	1,000,000.00	1.24%
Bank of Tokyo	250,000.00	250,000.00	500,000.00	.62%
Canadian Bank of Commerce	650,000.00	650,000.00	1,300,000.00	1.61%
Crocker First National Bank	1,500,000.00	2,500,000.00	4,000,000.00	4.94%
First Western Bank & Trust Co.	2,500,000.00	2,637,742.08	5,137,742.08	6.35%
Pacific National Bank	750,000.00	1,250,000.00	2,000,000.00	2.47%
Sumitomo Bank	250,000.00	250,000.00	500,000.00	.62%
Wells Fargo Bank & Union Trust Co.	4,000,000.00	2,693,936.19	6,693,936.19	8.28%
Total	<u>\$47,575,000.00</u>	<u>\$33,316,708.34</u>	<u>\$80,891,708.34</u>	
Ratio of Deposits	58.81%	41.19%	100.00%	

All inactive accounts are maintained in compliance with Government Code Section 536 43, which reads:

"The Treasurer may deposit any part of the money for a definite term agreed upon between him and the depositary. The term shall not exceed one year."

Supervisors' Resolution No. 3469 approved August 16, 1947, authorizes the Treasurer to enter into the necessary agreements with the banks, as required by law for the deposit of funds under his jurisdiction, and to determine the amount that shall be deposited in either active or inactive accounts.

As detailed in Exhibit "A-1", the amounts on deposit with banks as at June 30, 1955, are within the limitations specified in Government Code Section 53638, which reads:

"The deposit shall not exceed the total paid-up capital and surplus of any depositary."

Interest totaling \$541,647.38 was earned on the inactive deposit balances for 1954-1955.

Inactive deposits of \$47,575,000.00, represented by Certificates of Deposits, are in agreement with the Treasurer's accounts and bank confirmations.

The active deposit balances of \$33,316,708.34 were reconciled with \$33,676,540.29, confirmed to be on deposit by the banks. The difference of \$359,831.93, consists of currently dated outstanding checks totaling \$359,766.70 and a deposit of \$65.25 of June 30, 1955, recorded by the Treasurer as at July 1, 1955.

UNITED STATES BONDS (BAIL DEPOSITS) - \$102,900.00 Par Value

United States Bonds having a par value of \$102,900.00, representing deposits with Superior and Municipal Courts as bail, agreed with the amount charged to the Treasurer, per Comptroller's records. The \$102,900.00 includes bonds in the amount of \$16,750.00, representing 64 deposits for which Court orders for the release or forfeiture were issued.

DEPOSITS AFTER JUNE 30, 1955 - \$767,516.31

The \$767,516.31 represents collections by various City and County Departments pertaining to 1954-1955 transactions which were deposited with the Treasurer in July 1955, as follows:

July 1, 1955	\$566,471.76
July 5, 1955	86,121.89
July 6, 1955	7,363.78
July 7, 1955	<u>107,558.88</u>
Total	<u>\$767,516.31</u>

TREASURER'S CASH AND CASH ITEMS - \$83,336,033.69

The Treasurer's cash and cash items in the total of \$83,336,033.69 are detailed by individual funds in Exhibit D, D-1, and D-2; reconciled as to cash transactions for the fiscal year in Exhibit "C"; summarized and compared by fund classifications as follows:

CLASSIFICATION BY FUNDS

June 30th

CURRENT FUNDS:

	<u>1955</u>	<u>1954</u>
General City	\$36,233,331.04 (1)	\$34,276,284.92
Public Service Enterprises	10,524,986.70	8,406,253.07
General City - Bond Interest	25,954.19	32,612.06
Public Service Enterprises-Bond Interest	723,668.75	804,968.75
General City - Bond Redemption	9,000.00	13,000.00
Public Service Enterprises-Bond Redempt.	<u>2,038,200.00</u>	<u>2,094,200.00</u>
TOTAL CURRENT FUNDS (EXHIBIT D)	<u>\$49,555,140.68</u>	<u>\$45,627,318.80</u>

CAPITAL FUNDS:

General City	\$17,839,244.55	\$19,448,680.63
Public Service Enterprises	<u>7,349,358.05</u>	<u>12,803,589.83</u>
TOTAL CAPITAL FUNDS (EXHIBIT D-1)	<u>\$25,188,602.60</u>	<u>\$32,252,270.46</u>

SPECIAL AND TRUST FUNDS:

Private Trusts	\$ 1,479,706.44	\$ 1,977,312.22
Public Trusts	5,976,753.81	4,189,278.67
Assessment and Redemption	12,343.55	12,343.55
Agency	<u>1,123,486.61</u>	<u>788,088.06</u>

TOTAL SPECIAL AND TRUST FUNDS
(EXHIBIT D-2)

\$ 8,592,290.41 \$ 6,967,022.50

TOTAL OF ALL FUNDS (EXHIBIT C)

\$83,336,033.69 \$84,846,611.76

- (1) Includes deficits in Auditorium Fund \$167,930.42, Firemen's Relief and Pension Fund \$171,332.32, and Police Relief and Pension Fund \$103,235.58, which were created prior to the adoption of the present Charter, effective January 8, 1932.

SECURITIES - PAR VALUE - \$260,452,414.00

Securities held in the joint custody vault of the Treasurer and Controller as provided by Charter Section 83, were examined and verified as hereinafter reported. All securities summarized below, except collateral securities deposited by banks, are held in the joint custody vault. The total par value of securities charged to the Treasurer as at June 30, 1955, is compared with the Controller's book values as follows:

<u>CHARGED BY THE CONTROLLER:</u>	<u>Treasurer's Par Value</u>	<u>Controller's Book Value</u>
<u>BONDS:</u>		
Employees' Retirement Fund	\$158,319,000.00	\$158,075,771.93
Bequest and Trust Funds	312,500.00	313,687.50
Deposits on Leases	108,000.00	108,000.00
Miscellaneous Deposits	1,475.00	1,475.00
Total	<u>158,740,975.00</u>	<u>158,498,934.43</u>
<u>CORPORATE STOCK:</u>		
Bequest Funds	439.00	2,094.25
Deposits on Leases	5,000.00	5,000.00
Total	<u>5,439.00</u>	<u>7,094.25</u>
<u>NOT CHARGED BY THE CONTROLLER:</u>	<u>PAR VALUE</u>	<u>MARKET VALUE</u>
Collateral Securities (Bonds)	\$101,706,000.00	\$100,639,040.63
TOTAL SECURITIES ACCOUNTED FOR BY THE TREASURER, JUNE 30, 1955	<u>\$260,452,414.00</u>	<u>\$259,145,069.31</u>

EMPLOYEES' RETIREMENT FUND - PAR VALUE BONDS - \$158,319,000.00

Verification of bonds in the above amount and coupons attached thereto was made by physical count as at June 30, 1955, in conjunction with representatives of Arthur Young and Company, Certified Public Accountants, engaged for this year's audit of the Employees' Retirement System.

Pursuant to Controller's instructions dated August 15, 1940, bonds and coupons maturing during the fiscal year were examined and released by the Controller's Division of Accounts and Reports to the Treasurer for collection. Reports reflecting monthly collections for 1954-1955 were prepared by the Controller's Division of Accounts and Reports and transmitted to the Employees' Retirement Board, as requested in a memorandum dated August 6, 1933, from Mr. Ralph Nelson, then Secretary-Actuary.

The total par value of bonds in the amount of \$158,319,000.00 on hand with the Treasurer June 30, 1955, was confirmed by the Employees' Retirement System; the total was also in agreement with the Controller's Security Ledger.

Transactions during the fiscal year 1954-1955 were summarized from the Controller's Records, at par values, as follows:

Bonds on hand June 30, 1954, per prior annual audit report	\$142,413,987.50
Add: Purchases during 1954-1955	18,388,000.00
	160,801,987.50
Less: Matured, Called or Sold	2,482,987.50
Balance on Hand - June 30, 1955	<u>\$158,319,000.00</u>

BEQUEST AND TRUST FUNDS - \$312,500.00 Par Value Bonds

Bonds in the above amount, with unmatured interest coupons attached, were verified with the Controller's records; detail of bonds examined are reflected in Exhibit A-2 (by funds) and Exhibit A-3 (by securities).

During the fiscal year, the Strybing Bequest Fund redeemed \$50,000.00 par value United States Savings Bonds Series G, Maturing April 1, 1955. The collection of principal and interest in the amount of \$50,625.00 was credited to the Strybing Bequest Fund, May 10, 1955.

The Panama Pacific Exposition Trust Fund purchased a Southern California Edison Co., First Mortgage Bond, par value \$1,000.00 to replace New York Stock Certificates, par value \$1,000.00, redeemed May 1, 1954.

The collection and deposit of interest on Bequest and Trust Fund Bonds is verified currently by the Controller's Division of Accounts and Reports; the verification was test checked for the purpose of this audit.

DEPOSIT ON LEASES - \$108,000.00 Par Value Bonds

Security on various leases of City and County property is represented by deposits of United States Treasury Bonds with a par value of \$108,000.00. The deposits conform to provisions of leases and amounts reflected on the Controller's records as detailed on Exhibit A-3.

MISCELLANEOUS DEPOSITS - UNITED STATES SAVINGS BONDS \$1,475.00

The \$1,475.00 represents deposits with the Treasurer for safekeeping by the following departments, as detailed on Exhibit A-3:

County Clerk - Superior Court Action 396879	
Estate of Henry J. Byrne	\$ 1,425.00
Recreation and Park Department, North Beach	
Playground, per Supervisors Reso. 12022	25.00
Mr. Dane Conroy (Absent Heir)	25.00
Total (United States Savings Bonds)	<u>\$ 1,475.00</u>

CORPORATE STOCK - \$5,439.00

Corporate Stock of \$5,439.00, par value, as detailed in Exhibit A-3, consists of:

	<u>Treasurer's Records Par Value</u>	<u>Controller's Records Book Value</u>
<u>BEQUEST FUNDS:</u>		
August Brunetti Bequest Bank of America N. T. & S. A. 2 Shares of Common Stock	\$ 25.00	\$ 36.50
Transamerica Corporation 7 Shares of Capital Stock	14.00	57.50
Llewella F. Lewis Bequest Smart, Final & Iris (par value \$1.00) 400 Shares of Common Stock	<u>400.00</u>	<u>2,000.00</u>
Total Bequest Funds	<u>\$ 439.00</u>	<u>\$ 2,094.25</u>
<u>DEPOSIT ON LEASE:</u>		
John H. Partridge, Lessee Marshall Square Property 50 Shares Pacific Tel. & Tel. Co. Common Stock	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>
Total (Stock)	<u><u>\$ 5,439.00</u></u>	<u><u>\$ 7,094.25</u></u>

In addition to the above, Exhibit A-3 reflects other miscellaneous assets, papers, etc., of no book value, held by the Treasurer for safekeeping.

COLLATERAL SECURITIES \$101,706,000.00 PAR VALUE BONDS

Collateral Securities, with unmatured interest coupons attached, on hand in the Treasurer's vault, June 30, 1955, were examined. The total par value of \$101,706,000.00 was in agreement with the Treasurer's Security Register and bank ledger accounts. The securities consisted of Federal, State, or other Government Bonds of a type required by Government Code Section 53651; and approved by the Treasurer and City Attorney, in accordance with Government Code Section 53655.

The depositing banks certified direct to the Controller that the collateral securities, par value \$101,706,000.00, had a market value of \$100,639,040.63 as at June 30, 1955, to secure deposits of \$81,251,540.29 as at that date, as detailed in Exhibit "A-1".

Government Code Section 53657 reads:

"The market value of the securities securing active or inactive deposits shall be at least 10 percent in excess of the amount of the deposit secured by them but the amount of the deposit shall not exceed the face value of the securities".

COLLATERAL SECURITIES (Continued)

Each balance comprising the \$81,251,540.29 on deposit was less than the face value (par) of the related collateral; and the market value of said collateral exceeded the amount on deposit by at least 10%, except two Bank of America accounts as follows:

- 1- General Fund-Active Account No. 199, showing market value of collateral of \$14,723,660.00 which is 9.36% in excess of the \$13,463,693.89 on deposit.
- 2- California County Fair-Active Account No. 313, showing market value of collateral of \$477,029.00 which is 8.58% of the \$439,324.18 on deposit.

The Bank of America's collateral had a market value of \$42,405,323.00, which is 19.41% of the consolidated deposits of \$35,512,562.12, as at June 30, 1955. Said collateral included \$462,134.00 deposited to cover State Highway Active Account No. 285, which account was closed June 13, 1955. The collateral was not withdrawn but held for future deposit.

AUTHORIZED CITY AND COUNTY BONDS (UNISSUED)

Unsold (Unissued) City and County Bonds at June 30, 1955 amounted to \$51,235,000.00, which represent the remainder from issues totaling \$140,715,000.00 authorized by the electorate in amounts and on dates indicated:

	Total Authorized	Sold		Unsold June 30, 1955
		Prior to 1954-1955	During 1954-1955	
<u>Authorized Nov. 4, 1947</u>				
Street Improvement	\$ 22,850,000	\$ 15,900,000		\$ 6,950,000
Recreation Bond	12,000,000	8,230,000	\$ 1,100,000	2,670,000
Off-Street Parking	5,000,000	1,000,000		4,000,000
<u>Authorized June 1, 1948</u>				
Sewage Treatment	15,000,000	13,550,000		1,450,000
<u>Authorized Nov. 2, 1948</u>				
Schools	48,890,000	43,900,000	4,000,000	990,000
<u>Authorized Nov. 4, 1952</u>				
Fire House	4,750,000		1,800,000	2,950,000
<u>Authorized June 8, 1954</u>				
Sewer	12,645,000			12,645,000
<u>Authorized Nov. 2, 1954</u>				
Laguna Honda Home	5,475,000			5,475,000
Exhibition Hall	3,275,000			3,275,000
San Francisco Hospital	5,830,000			5,830,000
Recreation Center Bond	5,000,000			5,000,000
Total	\$140,715,000	\$82,580,000	\$6,900,000	\$51,235,000

AUTHORIZED CITY AND COUNTY BONDS (UNISSUED) (Continued)

There were no printed unsold bonds on hand. The amount of \$51,235,000.00 was confirmed against the Controller's records. It is the practice of the Treasurer to order the printing of the bonds only when a sale has been made by the Board of Supervisors. No evidence was found that the Treasurer deviated from his usual practice in respect to the above issues.

FISCAL AGENT - NEW YORK

Ordinance No. 1184, approved May 20, 1941, designated the National City Bank of New York as the Fiscal Agent of the City and County of San Francisco, for the purpose of providing payment in the City of New York, of principal and interest due on bonds issued by the City and County of San Francisco, and provides rates of compensation of said fiscal agent.

Transactions reported by the Fiscal Agent during the fiscal year ended June 30, 1955, were reviewed. Bonds and coupons paid and cancelled were verified in detail against the Controller's records and confirmed direct to this office by the National City Bank of New York.

Compensation paid the Fiscal Agent in quarterly installments during the fiscal year amounted to \$11,616.92, computed as follows:

	Par Value Paid and Cancelled	Compensation	
		Authorized Rates	Earned for 1954-1955
Bonds	\$ 7,710,000.00	1/20 of 1%	\$ 3,855.00
Coupons (194,048)	2,514,100.00	4¢ Each	7,761.92
Total	<u>\$10,224,100.00</u>		<u>\$11,616.92 (1)</u>

(1) Includes \$1,544.52, for the last quarter, which was paid August 8, 1955, by Controller's Warrant 6263-1.

UNITED STATES SAVINGS BONDS

The purchase of United States Savings Bonds by City and County Employees under the payroll allotment plan was authorized by the Board of Supervisors by Resolution No. 2666, adopted June 12, 1942. In addition, bonds were purchased by employees upon the receipt of the full bond purchase price, as authorized by Resolution No. 3786, adopted January 17, 1944.

The total issue value of bonds purchased by the Treasurer for City and County Employees during the fiscal year 1954-1955 amounted to \$610,050.00, as compared to the fiscal year 1953-1954 of \$604,314.50. Receipts on file evidenced that all bonds purchased during the fiscal year were delivered to authorized departmental representatives for delivery to employees.

Cash on hand June 30, 1955, for the purchase of bonds for future delivery, as shown by the Treasurer's records, amounted to \$27,314.35, which was in agreement with the balance in the Controller's Private Trust General Ledger Account "War Bonds" as shown on Exhibit "D-2". Reconciliation with related appropriation account balance is made monthly by the Controller's Division of Accounts and Reports.

REVENUES AND EXPENDITURES

Revenues derived through the operation of the Treasurer's office, exceed expenditures and encumbrances by \$461,142.16, as compared with \$534,056.93 for the prior fiscal year, summarized as follows:

<u>Revenues</u>	<u>1954-1955</u>	<u>1953-1954</u>
Interest Earned on Inactive Bank Deposits	\$541,647.38	\$615,018.93
Commission on Inheritance Tax Collections	37,709.59	31,211.21
Duplicate "Inheritance Tax Receipt Fees", etc.	99.00	86.00
Conscience Money	831.00	130.00
	<u>580,286.97</u>	<u>646,446.14</u>
Less: Expenditures and Encumbrances (Per Controller's Appropriation Accounts)	<u>119,144.81</u>	<u>112,389.19</u>
Revenues in excess of expenditures and encumbrances	<u><u>\$461,142.16</u></u>	<u><u>\$534,056.93</u></u>

A detailed five year comparative statement of revenues and expenditures and encumbrances is reflected on Exhibit B.

Comments relative to items appearing above are as follows:

Interest Earned on Inactive Bank Deposits \$541,647.38

Interest earned in the above amount during the fiscal year, as recorded by the Controller, was in agreement with deposits of interest as recorded by the Treasurer; computed at rates provided by agreements with depositaries on daily balances on deposit, and paid quarterly, in accordance with Government Code Section 54645, summarized as follows:

<u>Rates of Interest</u>	<u>Deposits Callable On:</u>	<u>1954-1955</u>	<u>1953-1954</u>
1%	30 days' notice, except Bank of Canton, requiring 90 days' notice	\$310,979.55	\$346,268.84
1½%	90 days' notice, except Canadian Bank of Commerce, requiring 30 days' notice	198,535.98	8,125.02
1½%	90 days' notice	<u>32,131.85</u>	<u>260,525.07</u>
	Totals	<u><u>\$541,647.38</u></u>	<u><u>\$615,018.93</u></u>

Note: On May 11, 1954, the Treasurer was given 90 days' notice by the Anglo California National Bank and the Bank of America that the Federal Reserve Bank has ordered the reduction of interest on inactive deposits from 1½% to 1¼%, effective August 11, 1954.

The distribution of interest earned by funds, compares as follows:

<u>Funds Credited</u>	<u>1954-1955 Budget Estimates</u>	<u>Distribution of Interest Earned</u>	
		<u>1954-1955</u>	<u>1953-1954</u>
General Fund	\$550,000.00	\$506,123.94	\$574,522.88
Municipal Railway Operating Fund	20,000.00	18,417.25	20,977.25
Total Unapportioned Interest	570,000.00	524,541.19	595,500.13
Water Operating	15,000.00	17,106.19	18,750.04
State - County Fair	-	-	768.76
Totals	<u>\$585,000.00</u>	<u>\$541,647.38</u>	<u>\$615,018.93</u>

The \$17,106.19 credited to the Water Operating Fund was earned on two inactive bank accounts used exclusively for Water Department funds. The \$18,417.25 credited to the Municipal Railway Operating Fund was distributed and prorated quarterly out of the total unapportioned interest of \$524,541.19, on the basis of Treasurer's daily balance in that fund.

COMMISSIONS ON INHERITANCE TAX COLLECTIONS \$37,709.59

Inheritance tax commissions of \$37,709.59, for 12 months ended May 31, 1955, and settlements with the State for the same period, are summarized from the Treasurer's records as follows:

Total Collections		\$3,724,700.61
Less Disbursements:		
Payments to the State	\$3,482,952.22	
Refunds	187,421.30	
Appraiser's fees	<u>16,617.50</u>	
		<u>3,686,991.02</u>
Commissions Earned by Treasurer		<u>\$ 37,709.59</u>

Accounts, maintained by the Treasurer for Inheritance Tax purposes, are recorded on State Controller's prenumbered forms, subject to settlement with the State every two months, and an audit by representatives of the State Controller's office. Such audit was not duplicated in this assignment.

The collections of \$3,724,700.61 were verified against deposits recorded by the Controller's Revenue Division. Payments to the State, refunds, appraiser's fees, and commissions earned were reconciled with expenditures reflected by Controller's appropriation expenditures.

Commissions earned by the Treasurer in the total amount of \$37,709.59, for the fiscal year 1954-1955, was confirmed direct to this office by the State Controller. The amount is within the \$40,000.00 maximum commissions that may be retained by a Treasurer of a county of the second class, as provided in Section 14797 of the Revenue and Taxation Code.

DUPLICATE INHERITANCE TAX RECEIPT FEES AND SAFE DEPOSIT BOX EXAMINATION FEES \$99.00

A fifty cent fee for a "Duplicate Tax Receipt" and a one dollar fee for "Listing Contents of a Safe Deposit Box" is charged by the Treasurer in accordance with Section 14144 and 14346 of the Revenue and Taxation Code. The collection and deposit of these fees is subject to the Controller's prescribed revenue procedure and is currently audited by the Controller's General Office. The deposit of the fees to the General Fund was verified against the Controller's records.

CONSCIENCE MONEY \$831.00

The \$831.00 represents remittances received by the offices named, from unidentified sources and deposited with the Treasurer as conscience money:

City Attorney's Office	\$ 400.00
Tax Collector	200.00
Controller's Office	120.00
Treasurer	<u>111.00</u>
Total	<u>\$ 831.00</u>

EXPENDITURES AND ENCUMBRANCES - \$119,144.81

Expenditures (\$115,608.44) and Encumbrances (\$3,536.37) from appropriations to the Treasurer's Office for 1954-1955, totaling \$119,144.81 compared with budget appropriations, as modified, \$120,305.90, were summarized from the Controller's records as follows:

<u>By Treasurer:</u>	<u>Appropriations as Modified</u>	<u>Expenditures and Encumbrances</u>
Permanent Salaries	\$ 101,565.90	\$ 101,425.90
Overtime	775.00	293.24
Contractual Services	14,940.00	14,707.28
Use of Employees' Cars	400.00	347.42
Materials and Supplies	1,750.00	1,535.49
Equipment	550.00	536.94
 <u>By Purchaser:</u>		
Telephone & Telegraph	200.00	178.89
Stationery (Withdrawn from stores)	<u>125.00</u>	<u>119.65</u>
Totals	<u>\$120,305.90</u>	<u>\$119,144.81</u>

Expenditures and Encumbrances are currently audited by the Controller's General Office, and such detailed audit was not duplicated in this assignment. Exhibit "B" reflects a comparison of revenues and appropriation expenditures and encumbrances for the fiscal year 1954-1955 and four prior fiscal years.

SURETY BONDS AND INSURANCE

Detail of Surety Bonds and Insurance in force during the fiscal year is reflected in Exhibit "E" attached hereto.

COMMENT

The records maintained in the Treasurer's office appear to be in order and systematically arranged to furnish all data required for this examination.

The courtesy and cooperation extended by the Treasurer and his staff during the course of the examination is gratefully acknowledged.

Respectfully submitted,

GENERAL AUDIT DIVISION

Martin W. Judnich

Martin W. Judnich

B-14 Senior Accountant (Field Audits)

Note:

Exhibits A-1, A-2, A-3, D and E reflect detail of transactions presented in summary forms in the body of the above report. They have not been reproduced in this publication.

SUMMARY OF CASH, SECURITIES, AND OTHER DEPOSITS

	<u>JUNE 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>CASH AND CASH ITEMS</u>		
<u>Cash and Cash Items on Hand:</u>		
Coin and Currency	\$ 952,938.94	\$ 808,681.83
Checks on Hand for Deposit	620,141.15	377,478.77
Due from Clearing House	828.95	37.00
Special Deposit-Health Service System		824.51
Total Cash	<u>1,573,909.04</u>	<u>1,187,022.11</u>
<u>Cash on Deposit in Banks:</u>		
Active Accounts	33,316,708.34	30,355,764.88
Inactive Deposits	<u>47,575,000.00</u>	<u>52,575,000.00</u>
Total Bank Deposits	<u>80,891,708.34</u>	<u>82,930,764.88</u>
<u>Cash Received after June 30th and Applied to Fiscal Year Under Review</u>		
	<u>767,516.31</u>	<u>659,524.77</u>
<u>United States Bonds (Face Value)</u>		
	<u>102,900.00</u>	<u>69,300.00</u>
<u>Total Cash and Cash Items (Exhibit "C" and "D-2")</u>		
	<u>\$83,336,033.69</u>	<u>\$84,846,611.76</u>
<u>SECURITIES</u>		
<u>Bonds (Face Value):</u>		
Collateral from Banks (Exhibit "A-1")	\$101,706,000.00	\$107,398,000.00
Employees' Retirement Fund	158,319,000.00	142,413,987.50
Bequest Funds and Miscellaneous Deposits	298,975.00	348,950.00
Trust Funds	15,000.00	14,000.00
Deposits on Leases	<u>108,000.00</u>	<u>106,500.00</u>
Total Securities (Bonds)	<u>\$260,446,975.00</u>	<u>\$250,281,437.50</u>
<u>Other Deposits (Corporate Stock):</u>		
Deposit on Lease	\$ 5,000.00	\$ 5,000.00
Bequest Fund	<u>439.00</u>	<u>39.00</u>
Total Other Deposits	<u>\$ 5,439.00</u>	<u>\$ 5,039.00</u>
<u>Total Securities</u>		
	<u>\$260,452,414.00</u>	<u>\$250,286,476.50</u>
<u>TREASURER'S ACCOUNTABILITY FOR CASH, SECURITIES, AND OTHER DEPOSITS</u>		
	<u>\$343,788,447.69</u>	<u>\$335,133,088.26</u>

TREASURER

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND ENCUMBRANCES

Fiscal Year Ended June 30th

	1955	1954	1953	1952	1951
<u>REVENUES DERIVED THROUGH THE OPERATION OF THE TREASURER'S OFFICE</u>					
Interest Earned on the Deposit of Public Funds	\$ 511,617.38	\$ 685,018.83	\$ 544,398.07	\$ 561,932.81	\$ 522,315.22
Commissions on Insurance Tax Collections	37,709.59	31,211.21	31,733.98	39,202.02	28,632.19
Comptroller's Insurance Tax Receipts	99.00	86.00	111.00	89.50	85.00
Concurrence Fee Receipts	831.00	130.00	237.11	534.00	45.00
Total Revenues	\$ 590,266.97	\$ 816,446.14	\$ 596,480.16	\$ 601,758.33	\$ 551,277.71
<u>EXPENDITURES AND ENCUMBRANCES</u>					
Permanent Salaries	\$ 101,425.90	\$ 96,285.00	\$ 95,683.52	\$ 89,986.30	\$ 79,974.32
Leaves and Replacements	293.24	167.11	755.38	776.54	772.71
Allowance for Overtime	3,616.67	2,219.87	2,169.07	1,962.29	1,199.73
Comptroller's Insurance Tax Receipts	11,616.92 (1)	11,750.00	13,325.00	14,700.00	2,108.90
Fiscal Agent - New York	1,655.14	1,881.32	1,881.32	1,985.15	14,700.00
Materials and Supplies	536.94	1,667.21	465.91	1,524.91	1,701.16
Equipment					603.17
Total Disbursements	\$ 119,144.81	\$ 112,389.19	\$ 114,280.00	\$ 110,735.19	\$ 100,398.29
REVENUES IN EXCESS OF EXPENDITURES AND ENCUMBRANCES	\$ 461,112.16	\$ 514,056.95	\$ 482,200.16	\$ 491,023.14	\$ 450,879.42

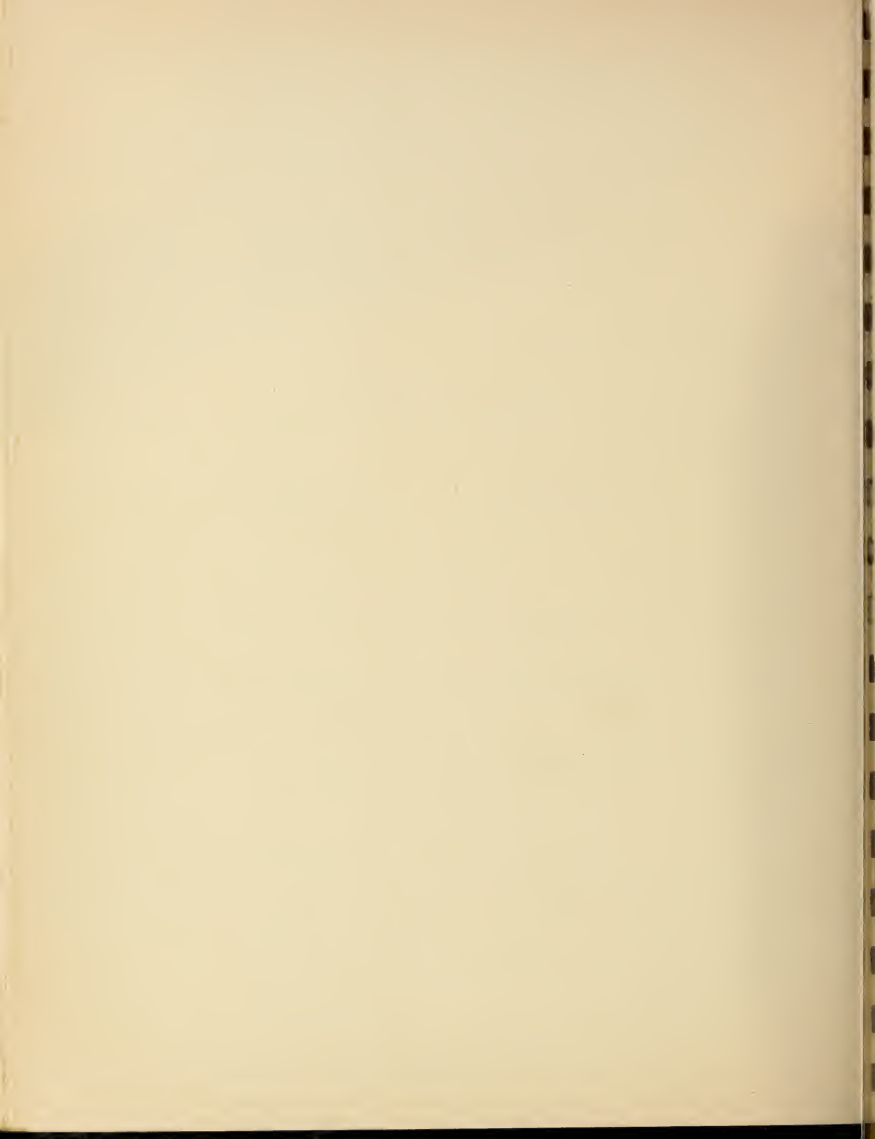
(1) Includes \$1,544.52 - 14th Installment Encumbered and paid August 8, 1955 By Warrant 6263-1

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>TOTAL FUNDS</u>		
Cash Balance - Beginning of Year	\$ 84,846,611.76	\$ 92,839,594.19
Receipts	237,110,692.49	228,599,843.31
Journal Transfers (Contra)	237,260,514.39	226,817,198.48
Total Receipts	474,371,206.88	455,417,041.79
Total Balance and Receipts	559,217,818.64	548,256,635.98
<u>DISBURSEMENTS</u>		
Cash Disbursements	238,621,270.56	236,592,825.74
Journal Transfers	237,260,514.39	226,817,198.48
Total Disbursements	475,881,784.95	463,410,024.22
CASH BALANCE - END OF YEAR		
EXHIBITS "A" & "D"	\$ 83,336,033.69	\$ 84,846,611.76

COMPARATIVE SUMMARY OF CASH TRANSACTIONS

	<u>Fiscal Year Ended June 30th</u>	
	<u>1955</u>	<u>1954</u>
<u>CURRENT FUNDS</u>		
Cash Balance - Beginning of Year	\$ 45,627,318.80	\$ 44,846,415.80
Cash Receipts	190,477,722.91	177,409,352.11
Journal Transfers - Receipts	213,599,956.26	205,365,210.07
Total Receipts	<u>449,704,997.97</u>	<u>427,620,977.98</u>
Cash Disbursements	170,421,580.25	165,574,406.55
Journal Transfers - Disbursements	229,728,277.04	216,419,252.63
Total Disbursements	<u>400,149,857.29</u>	<u>381,993,659.18</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D")	<u>49,555,140.68</u>	<u>45,627,318.80</u>
<u>CAPITAL FUNDS</u>		
Cash Balance - Beginning of Year	32,252,270.46	41,213,960.03
Cash Receipts	8,286,221.46	15,216,005.10
Journal Transfers - Receipts	5,576,405.84	4,766,206.06
Total Receipts	<u>46,114,897.76</u>	<u>61,201,171.19</u>
Cash Disbursements	15,863,641.41	20,313,991.26
Journal Transfers - Disbursements	5,062,653.75	8,629,909.47
Total Disbursements	<u>20,926,295.16</u>	<u>28,948,900.73</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D-1")	<u>25,188,602.60</u>	<u>32,252,270.46</u>
<u>SPECIAL AND TRUST FUNDS</u>		
Cash Balance - Beginning of Year	6,967,022.50	\$ 6,774,218.36
Cash Receipts	38,346,748.12	35,774,436.10
Journal Transfers - Receipts	13,084,152.29	16,685,732.35
Total Receipts	<u>63,397,922.91</u>	<u>59,434,486.81</u>
Cash Disbursements	52,336,048.90	50,699,427.93
Journal Transfers - Disbursements	2,469,583.60	1,768,036.38
Total Disbursements	<u>54,805,632.50</u>	<u>52,467,464.31</u>
CASH BALANCE - END OF YEAR (EXHIBIT "D-2")	<u>8,592,290.41</u>	<u>6,967,022.50</u>
TOTAL CASH ON HAND (EXHIBIT "A" and "D")	<u>\$ 83,336,033.69</u>	<u>\$ 84,346,611.76</u>



Airport Department
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY



REPORT ON EXAMINATION OF ACCOUNTS
For the Fiscal Year Ended June 30, 1955

OFFICE OF THE CONTROLLER

November 23, 1955

Mr. Harry D. Ross
Controller
City and County of San Francisco

AIRPORT DEPARTMENT

San Francisco International Airport - San Mateo County

Examination of Accounts

For the Year Ended June 30, 1955

Dear Sirs:

Under your direction and pursuant to the provisions of Charter Section 66, we have examined the financial statements listed below of the San Francisco International Airport, San Mateo County. Mr. David F. Supple, Consultant and Statistician to the Grand Jury, participated.

- Exhibit A - Balance Sheet, June 30, 1955
- Exhibit B - Statement of Surplus for the year ended June 30, 1955
- Exhibit C - Statement of Income and Expense for the years ended June 30, 1955 and June 30, 1954
- Schedule C-1 - Miscellaneous Additions to and Deductions from Income for the year ended June 30, 1955
- Exhibit D - Comparative report of Aircraft Movements and Traffic, including Domestic and International Activities, for the years ended June 30, 1955 and June 30, 1954

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

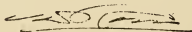
In our opinion, the accompanying financial statements present fairly the financial position of the San Francisco International Airport at June 30, 1955, and the results of its operations for the fiscal year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,



Nathan B. Cooper
Supervisor, Utility Audits

Approved:



HARRY D. ROSS
CONTROLLER

Fixed Capital in Service (net) - \$42,224,490.87

The table here presented is a condensed summary of the changes during the year in the accounts for fixed capital in service and for accrued depreciation applicable thereto.

	<u>In Service</u>	<u>Accrued Depreciation</u>	<u>Net Book Value</u>
Balance, June 30, 1954	\$36,609,047.41	\$6,247,018.19	\$30,362,029.22
Increase:			
Additions and betterments - 1954-1955	11,140,908.99	730,489.68 (1)	10,410,419.31
Prior year adjustments	<u>1,453,072.10 (2)</u>	<u>54.77 (3)</u>	<u>1,453,017.33</u>
Total	\$49,203,028.50	\$6,977,562.64	\$42,225,465.86
Decrease:			
Sale of easement	435.14		435.14
Retirements	<u>4,383.85</u>	<u>3,844.00</u>	<u>539.85</u>
Balance, June 30, 1955	<u>\$49,198,209.51</u>	<u>\$6,973,718.64</u>	<u>\$42,224,490.87</u>

- (1) Provision for the year charged to operating expenses.
- (2) Consists of \$1,454,825.37, 1953-54 bond fund additions which were not capitalized until December 1954, and two minor adjustments to land and equipment.
- (3) Additional provision for 1953-54 charged to other expenses.

Additions and betterments - 1954-55, \$11,140,908.99

Additions to fixed capital in service were financed through the 1945 and 1949 Airport bond funds, the Federal airport project fund, the operating fund-reconstruction and replacement and the special aviation fund.

Landing area		\$ 723,871.66
Utilities, roads and parking areas		696,212.53
Buildings		9,611,947.46
Equipment - Bond funds	\$86,926.61	
- Special aviation fund	14,190.63	
- Operating-reconstruction and replacement fund	<u>7,760.10</u>	<u>108,877.34</u>
Total additions and betterments 1954-55		<u>\$11,140,908.99</u>

Prior year adjustments, \$1,453,072.10

These adjustments consist of additions and betterments financed by the 1945 and 1949 Airport bond funds and the Federal airport project fund which should have been capitalized during the fiscal year 1953-54, and of adjustments to land and equipment as indicated below:

Bond funds and Federal airport project
additions and betterments 1953-54:

Land	\$ 288,985.71
Landing area	315,861.01
Utilities, roads and parking areas	597,788.99
Buildings	<u>232,189.66</u>

Total	\$ 1,454,825.37
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Adjustments:

Land (Bond fund addition)	\$ 1,750.00 Cr.
Equipment (Operating fund addition)	<u>3.27 Cr.</u>
Total	\$ 1,753.27 Cr.

Total prior year adjustments	<u>\$ 1,453,072.10</u>
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Sale of easement, \$435.14

An easement over a fifty foot wide strip of land was sold to the Pacific Gas and Electric Company for a 60KV power line.

Retirements, \$4,383.85

The only retirements consisted of two automobiles traded in on new models and the replacement of two engines on fire crash trucks.

Fixed Capital Under Construction - \$58,515.38

The projects classified as fixed capital under construction are summarized as follows:

Balance, July 1, 1954		\$11,718,491.73
Additions:		
1945 Airport bond fund	\$132,653.63	
1949 Airport bond fund	555,885.19	
Federal airport project	<u>223,518.46</u>	912,057.28
Total		\$12,630,549.01
Transferred to Fixed Capital in Service		<u>12,572,033.63</u>
Balance, June 30, 1955		<u>\$ 58,515.38</u>

All of the transactions in this account were financed by the 1945 and 1949 Airport bond funds and the Federal airport project except that charges for interest during construction, which are in relation to the 1945 and 1949 Airport bond funds, are allocations of the interest budgeted in the Airport Operating Fund.

The significant construction features in progress were the

Sewage treatment plant and related work.
Improvements to power supply for North Field.
Ventilation of concourses, service building and terminal building.
Improvements to water supply for terminal building and concourses.

Cash on Deposit with Treasurer - \$2,354,024.85

Cash on deposit with the Treasurer was confirmed by reference to the report on examination of accounts of the Treasurer's Office for the fiscal year ended June 30, 1955, by the Controller's Division of General Audits. The composition of the cash balance was:

Operating fund		\$ 798,117.31
Federal airport project fund		255,000.00
Special aviation fund		28,542.31
1945 Airport bond fund		755,835.01
1949 Airport bond fund		515,292.72
1945 Airport bond interest fund		856.25
1-1/4% Series C	\$531.25	
1-1/2% Series C	75.00	
1 % Series E	250.00	
1949 Airport bond interest fund		381.25
1-1/4% Series A	\$ 62.50	
1-3/4% Series B	131.25	
1-1/2% Series D	187.50	
Total		<u>\$2,354,024.85</u>

Cash Revolving Fund - \$2,500.00

On May 26, 1955, we reported the verification of the principal of the fund as at April 28, 1955.

Accounts Receivable, Estimated Federal Grants	\$228,200.00	
Less: Reserve for Estimated Federal Grants	<u>228,200.00</u>	<u>-0-</u>

The Mayor and Public Utilities Commission have accepted offers by the Federal government, acting through the Administrator of Civil Aeronautics, to grant funds to the City and County of San Francisco for development of the San Francisco International Airport in the amount of \$2,160,678.00 of which \$1,932,478.00 had been received at June 30, 1955. The balance has been reserved until such time as federal grant requisitions are filed with the government for payments as the airport development progresses.

Accounts Receivable, Revenues Accrued and Other Receivables (net) - \$585,400.48

Requests for confirmation were mailed to various debtors with respect to balances included in the above sum; replies received were satisfactory. We did not request confirmation of \$337,515.89 included as accounts receivable because the liability for the payment thereof was disputed by the debtors. All invoices that comprise this sum have been referred to the City Attorney.

Trans World Airlines	\$ 161,179.99
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U. S. District Court Judgment, Civil No. 30326, July 2, 1954. Appealed by T.W.A., August 2, 1954, U. S. Court of Appeals for 9th Circuit, Case No. 14523	\$95,942.64
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Take-off charges, January 1951 to February 28, 1954	\$86,342.64
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Professional fire protection service 1951-54	<u>9,600.00</u>
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Take-off charges - difference
between effective rate and the
amount paid March 1, 1954 to
June 30, 1955

\$ 62,837.35

Professional fire protection
service 1955

2,400.00

Western Airlines

\$ 144,220.87

Take-off charges - difference
between rates effective January
1, 1951, vs. prior rates through
May 1955

\$127,572.32

Under payments for flight operation
and public address system charges
September 1, 1946 - March 31, 1949

4,648.55

Professional fire protection service
1951-55

12,000.00

Subject to litigation, San Francisco
Superior Court Action No. 414510.
Case still pending. In August 1955,
Western paid \$142,602.52, of disputed
take-off, public address and fire pro-
tection service charges through June
30, 1955, under protest. In the afore-
mentioned action it has been stipulated
that the City and County of San Fran-
cisco will not attempt to impose any
charges for the common use facilities
prior to January 1, 1951.

United Air Lines

18,312.13

Professional fire protection service 1951-55 \$ 12,000.00

Subject to litigation, U. S. District
Court, Case No. 33154. If the judg-
ment on this "Common Use Facilities
Charges" case is favorable to the
Airport, billings of take-off charges
to the United Air Lines will have to
be recomputed for the period subse-
quent to January 1, 1951. At present
the possible additional revenue is
unknown.

Rental of ticket counter space

6,312.13

No action taken. Airport Depart-
ment's letter to City Attorney,
October 3, 1955, seeks clarifi-
cation of same.

Professional fire protection service 1951-55

No suit filed pending outcome of
Trans World Airline's appeal and
United Air Line's litigation

San Mateo County

1,802.90

Portion of unrefunded aircraft fuel
taxes paid to San Mateo County by
State of California. No suit filed.

Total

\$ 337,515.89

Changes in the reserve for doubtful accounts during the year were as follows:

Balance, June 30, 1954	\$ 27,178.87
Provision for doubtful accounts	4,800.00
Total	\$ 31,978.87
Less accounts charged off as uncollectible	1,049.35
Balance, June 30, 1955	\$ 30,929.52

Interfund Accounts - \$18,444.05

The amounts due from other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Materials and Supplies - \$8,876.75

Physical inventory of materials and supplies was taken by Airport employees as at May 31, 1955. We tested the quantities, the mathematical accuracy and the pricing of the inventory.

Commitments - \$432,661.36

Commitments represent contracts, purchase orders, work orders and other evidence of encumbrance for which related goods and services have not been received at June 30, 1955. The contra liability is shown under accounts payable and interfund accounts - commitments.

Other Deferred Items - \$38,577.92

Consists of Public Utilities Commission authorization of \$29,943.89, reduction of rentals to Airport lessees for improvements made to leased areas. Airport will capitalize same upon receipt of information relative to the nature and extent of improvements actually made.

The balance of other deferred items consists primarily of prepaid insurance which was verified by reference to insurance contracts and computation of unexpired premiums at June 30, 1955.

Bonded Debt - \$13,255,000.00

Bonded debt was verified against Controller's records. An account of all Airport bond issues is summarized below:

<u>Issue</u>	<u>Authorized</u>	<u>Authorized and Sold</u>	<u>Redeemed</u>		<u>Total Bonded Debt</u>
			<u>Prior Years</u>	<u>1954-55</u>	
1933	\$ 260,000	\$ 260,000	\$ 260,000		
1938	2,850,000	2,850,000	2,850,000		
1945	20,000,000	20,000,000	12,659,000	\$1,875,000	\$ 5,466,000
1949	10,000,000	10,000,000	1,957,000	254,000	7,789,000
Total	<u>\$33,110,000</u>	<u>\$33,110,000</u>	<u>\$17,726,000</u>	<u>\$2,129,000</u>	<u>\$13,255,000</u>

The outstanding bonds mature serially as follows:

<u>Fiscal Year</u>	<u>Issue</u>		<u>Total</u>
	<u>1945</u>	<u>1949</u>	
1955-56	\$1,875,000	\$ 254,000	\$ 2,129,000
1956-57	2,125,000	254,000	2,379,000
1957-58	174,000	1,534,000	1,708,000
1958-59	174,000	1,534,000	1,708,000
1959-60	174,000	1,534,000	1,708,000
1960-61	174,000	634,000	808,000
1961-62	174,000	409,000	583,000
1962-63	173,000	409,000	582,000
1963-64	173,000	409,000	582,000
1964-65	173,000	409,000	582,000
1965-66	77,000	409,000	486,000
Total	<u>\$5,466,000</u>	<u>\$7,789,000</u>	<u>\$13,255,000</u>

Bond Interest - \$40,387.93

Matured coupons not presented for payment were verified by reference to Controller's records. Accrued interest was verified by computation.

Accounts Payable - \$435,040.17

Accounts payable have been verified for prior encumbrances in accordance with the provisions of Charter Section 86.

Interfund Accounts - \$622,720.64

The amounts due to other municipal departments were confirmed to us by certified public accountants engaged in the examination of the records of the Controller's office.

Deferred Credits - \$371,431.59

Deferred credits represent primarily disputed accounts in amount of \$337,515.89, which is discussed under Accounts Receivable, Revenues Accrued and Other Receivables.

The balance of the deferred credits consist mainly of rentals and services paid or billed in advance, unbilled interdepartmental work orders (estimated expenditures booked in 1954-55), requests for direct payment by the Controller, cash collections in connection with petroleum agency trust from the last settlement date in June 1955 to June 30, 1955, damage claim for repairs to Airport wire fence and telephone Federal excise taxes.

Surplus - \$30,998,911.33

The summary of the changes in this account for the fiscal year 1954-1955 shown in Exhibit B, is in such detail as to require no further comment.

Contingent Liability

A review of the Controller's claim register and supplemental data indicated the following claims filed against the Airport as unsettled at the date of this report:

<u>Date of Accident</u>	<u>Claimant</u>		<u>Amount Claimed</u>	<u>Date Filed with Controller</u>	<u>Type of Claim</u>
12-19-52	Vernie Erickson	(1)	\$25,000.00	2-11-53	Personal Injury
6-1-53	Robert A. Lenihan	(2)	10,000.00	7-1-53	Personal Injury
5-20-54	P.Dardani and P. Manis	(3)	375.14	6-28-54	Property Damage
9-6-54	Earl Topovich	(4)	"To be determined at later date"	11-1-54	Personal Injury

(1) Filed suit (Superior Court case 427286). Case still open.

(2) Filed suit (Superior Court case 434700). Case still open.

(3) Referred to insurance carrier.

(4) Claim denied by City Attorney. No suit filed within the required one year period.

Insurance carrier has been notified of the above cited claims.

Inquiry at the City Attorney's office did not disclose any record of unsettled claims against the Airport other than indicated above.

Following is disposition of claims which were included as unsettled in our report for the year ended June 30, 1954:

<u>Date of Accident</u>	<u>Claimant</u>	<u>Amount Claimed</u>	<u>Disposition</u>
6-11-52	Pan American Airways	\$ 528.64	Payment denied by City Attorney.
1-17-54	Mygrant Glass Co.	3,316.55	Settled for \$1,250.00, City paid \$200.00 under deductible provision of U.S. Aviation Underwriters, Inc. Hangar Keepers Liability policy SH1-1160. Insurance carrier paid \$1,050.00.
10-8-53	American Airlines	197.62	Insurance carrier paid \$197.62 in settlement.

OPERATIONS

A condensed comparative statement of net profit or loss for the years ended June 30, 1955 and June 30, 1954, is set forth below:

	Fiscal Years Ended			
	1955		1954	
	Amount	Percent of Revenue	Amount	Percent of Revenue
Operating revenues:				
Air carrier flight operations	\$ 444,124.65		\$ 422,577.78	
Rentals	657,339.69		212,851.71	
Bulk petroleum deliveries	60,154.67		50,772.05	
Services, sales, commissions, permits	967,881.99		478,177.06	
Total	<u>\$2,129,501.00</u>	<u>100.0</u>	<u>\$1,164,378.60</u>	<u>100.0</u>
Operating expenses:				
Salaries and wages	\$ 623,006.26	29.3	\$ 410,327.38	35.2
Other operating costs	366,144.84	17.2	174,479.55	15.0
Maintenance and repairs	55,505.69	2.6	35,775.68	3.1
Fixed charges, including depreciation, note (1)	848,830.75	39.8	800,925.39	68.8
Total	<u>\$1,893,487.54</u>	<u>88.9</u>	<u>\$1,421,508.00</u>	<u>122.1</u>
Operating profit (loss) note (1)	<u>\$236,013.46</u>	<u>11.1</u>	<u>\$(257,129.40)</u>	<u>-22.1</u>
Bond interest	<u>\$138,596.88</u>	<u>6.5</u>	<u>\$ 99,108.12</u>	<u>8.5</u>
Other income and deductions therefrom	<u>\$ 13,837.74</u>	<u>.6</u>	<u>\$ 125,548.20</u>	<u>-10.8</u>
Net profit (loss) note (1)	<u><u>\$111,264.32</u></u>	<u><u>5.2</u></u>	<u><u>\$(481,785.72)</u></u>	<u><u>-41.4</u></u>

(1) See comments under, "Operating expenses--- Fixed Charges, including depreciation"

Operating revenues

The increase in operating revenues stems primarily from the increase in rentals and in services, sales, commissions and permits resulting from the opening of the new terminal building, concourses, air mail and cargo building and surrounding areas September 1, 1954.

Revenues from air carrier flight operations and bulk petroleum deliveries also showed small gains due to increased aviation activities.

Operating expenses

Increases in operating expenses are explained in general as follows:

Salaries and wages

The increase was primarily occasioned by additional employments to service the new airport facilities. The number of employments increased approximately 70% over the previous fiscal year.

Increases in temporary salaries, overtime and holiday pay with some increases occasioned by the statutory provisions affecting salaries and wages accounted for the balance.

Other operating costs

The increase in other operating costs is principally due to increased expenses for:

- (a) additional fire station and fire fighting personnel to service the new terminal area.
- (b) gas and electricity to service the new terminal facilities.
- (c) operating materials and supplies caused by demand of the new terminal facilities.
- (d) flight festival celebration.
- (e) contractual janitorial and window washing services required for the new buildings.
- (f) professional and special services occasioned by increase in Utilities Engineering Bureau services.
- (g) employee transportation and travel expense due to increased employments and airport activities.
- (h) support of the Public Utilities Commission - General Office, and
- (i) miscellaneous increases in other costs of operation resulting from the use of the new terminal buildings and increase in airport activities.

Maintenance and repairs

The increase in maintenance and repairs reflects additional costs of maintaining and repairing the newly expanded airport and consists mainly of:

- (a) administration building maintenance
- (b) runways maintenance and repairs
- (c) other equipment facilities

Fixed charges, including depreciation

The increase consists chiefly as follows:

- (a) increased pension and retirement allowances occasioned by the statutory provisions affecting salaries and wages and the approximately 70% increase in employments.

(b) other insurance increases due primarily to fire damage coverage for the new terminal, service, air mail and cargo, and concourse buildings.

(c) depreciation increases resulting mainly from the 1953-54 fixed capital additions.

It should be noted, however, that it is the Airport's accounting practice to provide no depreciation on an item during the year it is first placed in service and capitalized, and to provide a full year's depreciation during the year in which said item is retired from service. Depreciation on the new buildings alone will approximate \$238,000.00 per year.

Other income and deductions therefrom.

The two main reasons for the increase are the profits from the resale of electric energy, and the reduction in miscellaneous additions and deductions from income.

EXHIBIT A

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

BALANCE SHEET AT JUNE 30, 1955

A S S E T S

Fixed Capitals:			
In service		\$49,198,209.51	
Less reserve for depreciation		<u>6,973,718.64</u>	
Net book value		\$42,224,490.87	
Under construction		<u>58,515.38</u>	\$42,283,006.25
Cash:			
On deposit with City and County Treasurer		\$ 2,354,024.85	
Revolving fund		<u>2,500.00</u>	2,356,524.85
Accounts Receivable:			
Estimated federal grants	\$228,200.00		
Less: Reserve for estimated federal grants	<u>228,200.00</u>	-0-	
Revenues accrued and other receivables (net)		<u>585,400.48</u>	585,400.48
Interfund Accounts:			
Due from general city and county		\$ 10,774.22	
Due from other public service enterprises		<u>7,669.83</u>	18,444.05
Deferred Charges:			
Materials and supplies		\$ 8,876.75	
Commitments (contra)		432,661.36	
Other deferred items		<u>38,577.92</u>	<u>480,116.03</u>
Total Assets			<u>\$45,723,491.66</u>

L I A B I L I T I E S A N D S U R P L U S

Bonded Debts:			
Maturing within year ending June 30, 1956		\$ 2,129,000.00	
Maturing Sept. 1, 1956 through April 1, 1966		<u>11,126,000.00</u>	\$13,255,000.00
Bond Interest:			
Matured coupons not presented for payment		\$ 1,237.50	
Accrued, not due		<u>39,150.43</u>	40,387.93
Accounts Payable:			
Outstanding warrants		\$ 52,618.35	
General creditors		8,136.08	
Commitments (contra)		<u>374,285.74</u>	435,040.17
Interfund Accounts:			
Due to general city and county		\$ 522,246.96	
Due to other public service enterprises		42,098.06	
Commitments (contra)		<u>58,375.62</u>	622,720.64
Deferred Credits			
Total Liabilities			<u>371,431.59</u>
Surplus - Exhibit B			<u>\$14,724,580.33</u>
Total Liabilities and Surplus			<u>\$45,723,491.66</u>

EXHIBIT B

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

SURPLUS
YEAR ENDED JUNE 30, 1955

Surplus, June 30, 1954, annual report of Controller		\$ 28,988,020.38
Add:		
Contributions:		
Ad valorem tax for debt service	\$ 1,890,856.16	
State of California, special aviation fund	<u>8,790.47</u>	1,899,646.63
Net Profit, fiscal year 1954-55 - Exhibit C		<u>111,264.32</u> (1)
Total		\$ 30,998,931.33
Deduct:		
Prior year adjustments		<u>20.00</u>
Surplus, June 30, 1955		\$ <u><u>30,998,911.33</u></u>

- (1) See comments under, "Operating expenses - Fixed charges, including depreciation".

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING REVENUES:	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Air Carrier Flight Operations:		
Scheduled	\$ 415,850.79	\$ 398,799.54
Scheduled feeder lines	19,692.24	18,203.23
Non-scheduled	<u>8,581.62</u>	<u>5,575.01</u>
Total Air Carrier Flight Operations	\$ <u>444,124.65</u>	\$ <u>422,577.78</u>
Rentals:		
Ramp area	\$ 9,360.45	\$ 7,155.81
Aircraft outdoor storage	14,553.00	11,643.00
Airport property		
Unimproved	49,779.51	29,511.63
Paved	38,365.40	45,639.22
Expansion area	2,655.54	8,182.82
Hangars		
Entire hangars	46,888.72	59,499.96
Partial hangars	8,089.46	9,370.10
Passenger terminal building office space	426,840.91	25,349.12
Airmail and cargo building office space	27,697.71	
Other buildings and structures	<u>33,108.99</u>	<u>16,500.05</u>
Total Rentals	\$ <u>657,339.69</u>	\$ <u>212,851.71</u>
Bulk Petroleum Deliveries:		
Professional fire service	\$ 22,113.33	\$ 20,400.00
Rental of tank farm area	8,543.76	4,728.63
Wharfage charges	28,897.58	24,653.42
Pipe line licenses	<u>600.00</u>	<u>990.00</u>
Total Bulk Petroleum Deliveries	\$ <u>60,154.67</u>	\$ <u>50,772.05</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING REVENUES - Cont'd

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Services, Sales, Commissions and Permits:		
Public address system	\$ 12,906.62	\$ 11,631.82
Restaurant and allied services	203,714.93)	
Newspaper and tobacco counters	34,772.01)	
Restaurant - old terminal	17,304.28)	93,038.52
Taxicab and limousine permits	106,801.38	64,814.73
Parking Lot (includes parking meters)	279,753.71	129,909.55
U-Drive	91,819.31	62,026.77
Telephone commissions	11,488.13	9,599.26
Public service and insurance counter	45,700.00)	
Travel agency, air service and sales	226.38)	921.14)
Telegraph commissions	5,211.91)	19,528.44)
Insurance vending machines	14,418.85	13,793.66
Sale of petroleum products	65,331.27	58,150.01
Shoe shine stands	2,993.63	1,267.53
Vending and weighing machines	376.29	458.85
Baggage locker commissions	7,101.31	4,164.60
Rest rooms	12,553.58	7,899.40
Automobile service station	13,345.31	972.78
Public stenographer	511.11	
Portrait sketches and sales	162.80	
Florist	2,346.94	
Gift shop	20,131.35	
Advertising displays	7,102.00	
Childrens' "Merry-Go-Rounds"	690.12	
Candy shop	1,721.11	
Book shop	3,121.93	
Photography	926.01	
Barber shop	2,518.47	
Telescopes	331.25	
Porter service	<u>2,500.00</u>	
 Total Services, Sales, Commissions and Permits	 <u>\$967,881.99</u>	 <u>\$478,177.06</u>
 TOTAL OPERATING REVENUES	 <u>\$ 2,129,501.00</u>	 <u>\$ 1,164,378.60</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING EXPENSES:

	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Salaries and Wages:		
General & administrative	\$ 43,496.10	\$ 41,642.86
Maintenance & operations	<u>579,510.16</u>	<u>368,684.52</u>
Total Salaries and Wages	\$ <u>623,006.26</u>	\$ <u>410,327.38</u>
Other Costs of Operations:		
Travel expense (business trips)	\$ 2,514.97)	
Travel expense and local fares	1,347.07)	
Employee transportation expense	16,149.60)	\$ 13,479.80
Freight, express and drayage	189.56	44.90
Use of employees' cars - mileage only	22.56	13.09
Storage and care of vehicles	51.60	
Maintenance and care of office equipment	701.19	569.51
Maintenance and care of other equipment	72.49	194.10
Gas, electricity and fuel oil	63,067.35	18,001.30
Telephone and telegraph	\$27,447.69	
Less: Extension service		
charged to tenants	<u>18,987.88</u>	8,459.81
Postage	756.65	664.40
Printing, advertising, etc.	9,004.37	6,101.89
Newspapers and periodicals	435.71	400.94
Janitorial and window washing services:		
Contractual	9,914.23	1,135.00
Refuse disposal	1,241.19	1,047.02
Rentals of office furniture and equipment	626.82	
Professional and special services	37,530.51	29,349.19
Celebrations (Flight Festival)	10,000.00	
Miscellaneous contractual services	2,352.51	1,011.33
Operating material and supplies	27,252.75	14,280.95
P. U. C. - general office expense	18,263.04	12,398.17
Fire fighting expense	<u>156,190.86</u>	<u>70,355.38</u>
Total Other Costs of Operation	\$ <u>366,144.84</u>	\$ <u>174,479.55</u>
Other Costs of Maintenance and Repair:		
Landing area	\$ 1,146.82	\$ 1,545.79
Runways	14,551.28	8,316.07
Field lighting equipment	897.71	1,120.07
Radio equipment	1,393.31	733.72
Hangars	124.00	1,253.52
Administration building	10,910.26	902.33
Other buildings	2,528.73	2,319.11
Automotive equipment	4,154.12	6,198.59
Other equipment facilities	9,966.52	4,041.67
Parking areas, roads, walks, fences, etc.	6,903.14	8,491.19
Power distribution system	<u>2,929.80</u>	<u>853.62</u>
Total Other Costs of Maintenance and Repair	\$ <u>55,505.69</u>	\$ <u>35,775.68</u>

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

STATEMENT OF INCOME AND EXPENSE
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

OPERATING EXPENSES - Cont'd.	<u>June 30, 1955</u>	<u>June 30, 1954</u>
Fixed Charges:		
Accident compensation - employees	\$ 925.15	\$ 2,663.20
Automobile insurance	1,947.15	1,921.46
Other insurance	29,628.09	16,456.14
Pension and retirement allowance	71,886.10	47,732.73
Taxes paid	\$9,992.61	
Less charged to tenants	<u>2,073.03</u>	
Depreciation	730,489.68 (2)	718,388.20
Doubtful accounts	4,800.00	4,800.00
Injuries and damages	200.00	200.00
Membership dues	<u>1,035.00</u>	<u>1,035.00</u>
Total Fixed Charges	\$ <u>848,830.75</u>	\$ <u>800,925.39</u>
TOTAL OPERATING EXPENSES	<u>\$1,893,487.54</u>	<u>\$1,421,508.00</u>
OPERATING PROFIT (LOSS)	\$ <u>236,013.46</u>	(\$ <u>257,129.40</u>)
OTHER INCOME:		
Resale of electric energy	\$ 303,717.05	\$ 230,245.62
Less cost thereof	<u>208,390.52</u>	<u>174,639.63</u>
Total	\$ <u>95,326.53</u>	\$ <u>55,605.99</u>
Resale of water	\$ 52,496.72	\$ 14,450.57
Less cost thereof	<u>49,326.24</u>	<u>13,322.52</u>
Total	\$ <u>3,170.48</u>	\$ <u>1,128.05</u>
Sale of steam	\$ <u>3,556.96</u> (1)	
Miscellaneous	\$ <u>821.49</u>	\$ <u>2,857.70</u>
Total Other Income	\$ <u>102,875.46</u>	\$ <u>59,591.74</u>
Sub-total	\$ <u>338,888.92</u>	(\$ <u>197,537.66</u>)
OTHER EXPENSE:		
1945 and 1949 Airport Bond Interest Expense	\$ 138,586.88	\$ 99,108.12
Miscellaneous additions to and deductions from income - net deduction (Schedule C-1)	<u>89,037.72</u>	<u>185,139.94</u>
Total Other Expense	\$ <u>227,624.60</u>	\$ <u>284,248.06</u>
NET PROFIT (LOSS)	\$ <u>111,264.32</u> (2)	(\$ <u>481,785.72</u>)

(1) Cost of steam is incidental to the production of steam for heating terminal building. No breakdown of unit costs is available.

(2) See comments under "Operating expenses - Fixed charges, including depreciation". New terminal building opened for business September 1, 1954.

SCHEDULE C - 1

AIRPORT DEPARTMENT
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN MATEO COUNTY

MISCELLANEOUS ADDITIONS TO AND DEDUCTIONS FROM INCOME
YEAR ENDED JUNE 30, 1955

	<u>Applicable to</u>		<u>Total</u>
	<u>1954-1955</u>	<u>Prior Years</u>	
Deductions:			
Provision for possible uncollectibility of disputed accounts receivable:			
Trans World Airlines	\$ 53,249.47		\$ 53,249.47
Western Air Lines	33,850.67		33,850.67
United Air Lines	2,400.00		2,400.00
Pan American Airways	<u>2,400.00</u>		<u>2,400.00</u>
Total	\$ 91,900.14		\$ 91,900.14
Inventory write-offs	781.86		781.86
Miscellaneous	<u>439.85</u>	\$ <u>412.39</u>	<u>852.24</u>
Total deductions	\$ <u>93,121.85</u>	\$ <u>412.39</u>	\$ <u>93,534.24</u>
Additions:			
Profit from sale of easement	\$ 2,564.86		\$ 2,564.86
Revenue not previously recorded:			
American Airlines		\$ 798.42	798.42
Trans World Airlines		221.83	221.83
U. S. Dept. of Commerce -			
Weather Bureau		276.04	276.04
Profit on sale of water		314.39	314.39
Miscellaneous	<u>237.13</u>	<u>83.85</u>	<u>320.98</u>
Total additions	\$ <u>2,801.99</u>	\$ <u>1,694.53</u>	\$ <u>4,496.52</u>
Net deduction	\$ <u>90,319.86</u>	\$ <u>1,282.14</u>	\$ <u>89,037.72</u>

EXHIBIT D

AIRPORT DEPARTMENT

SAN FRANCISCO INTERNATIONAL AIRPORT

SAN MATEO COUNTY

STATISTICS

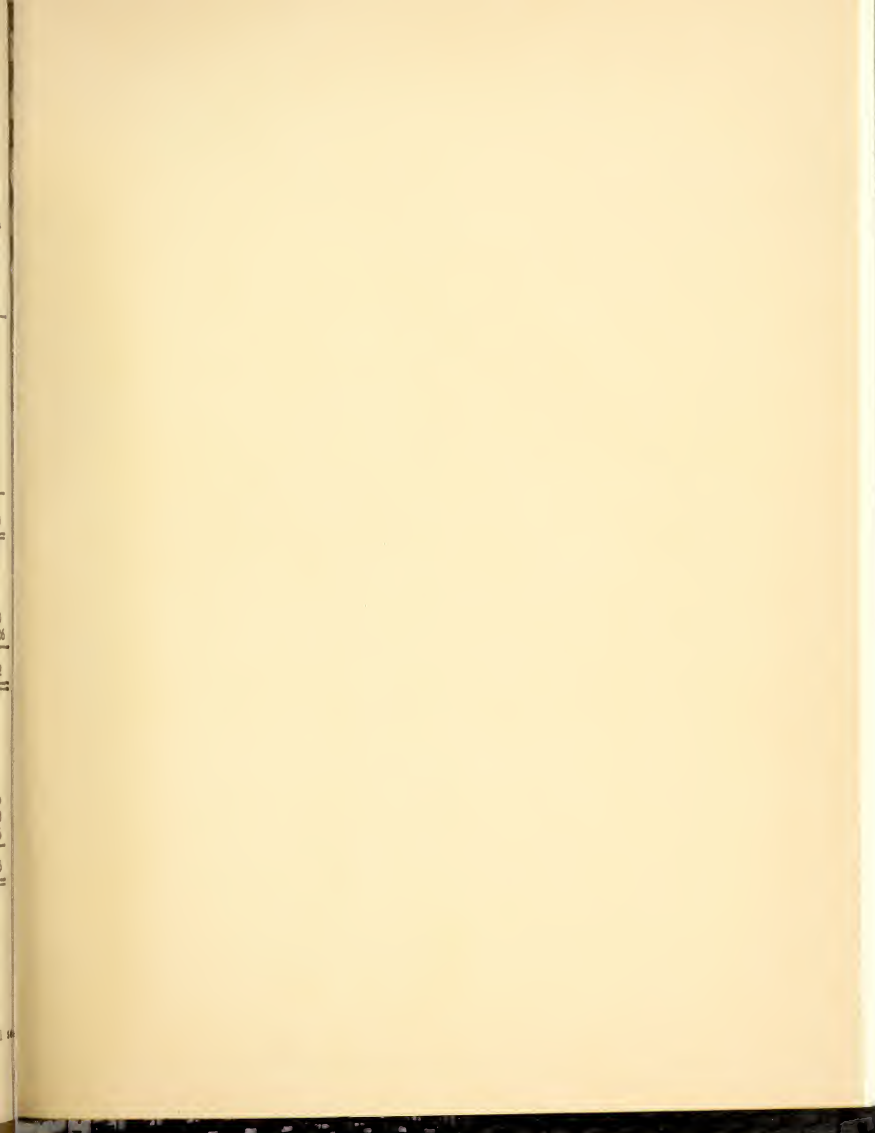
YEARS ENDED JUNE 30, 1955 AND JUNE 30, 1954

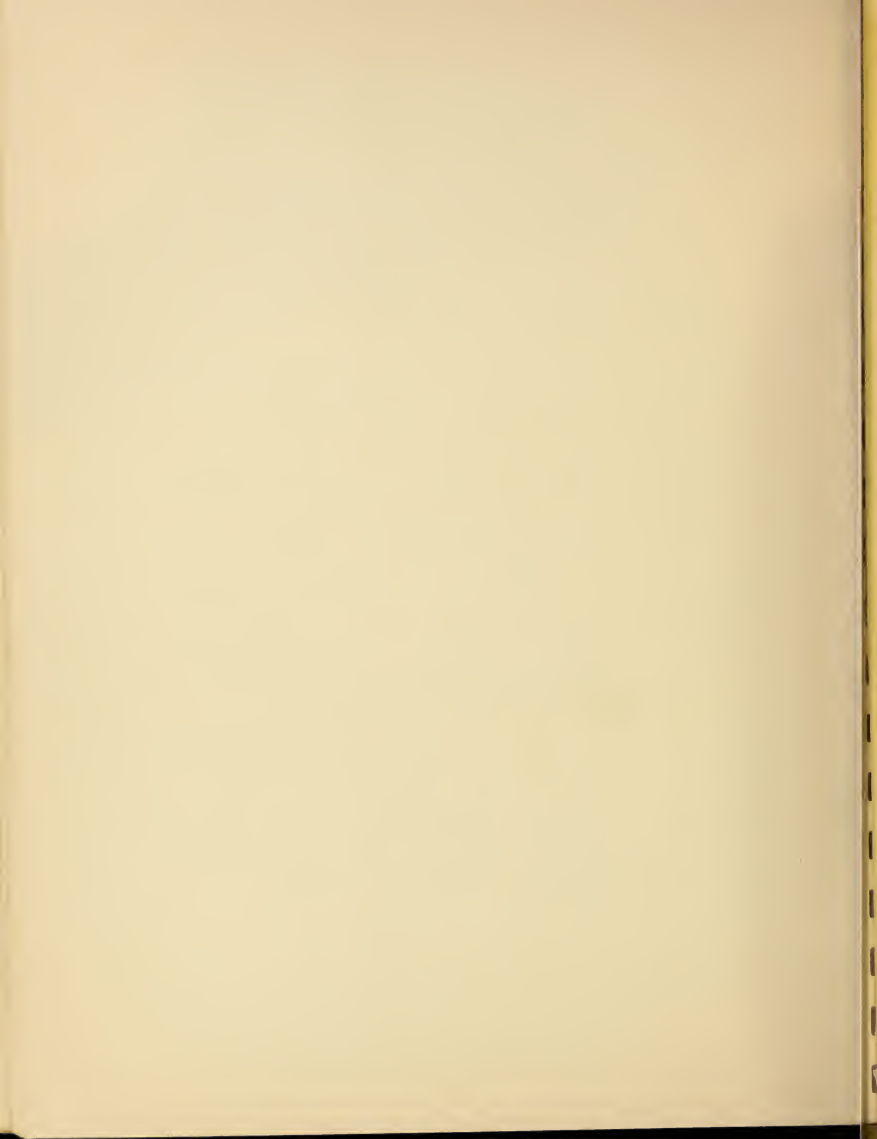
Comparative report of aircraft movements and traffic, including domestic and international activities.

	<u>June 30,</u> <u>1955</u>	<u>June 30,</u> <u>1954</u>	<u>Increase</u> <u>Decrease (-)</u>	<u>%</u>
Aircraft arrivals and departures, including extra sections, as reported by the Civil Aeronautics Administration traffic control tower				
Carriers	139,618	121,927	17,691	14.5
Itinerant	38,497	29,898	8,599	28.7
Local	<u>36,799</u>	<u>31,784</u>	<u>5,015</u>	<u>15.8</u>
Totals	<u>214,914</u>	<u>183,609</u>	<u>31,305</u>	<u>17.0</u>
Number of passengers, as reported by air carriers:				
On and off	2,401,538	2,000,824	400,714	20.0
Through (no stopovers)	<u>477,828</u>	<u>477,542</u>	<u>286</u>	<u>0.06</u>
Totals in and out (1)	<u>2,879,366</u>	<u>2,478,366</u>	<u>401,000</u>	<u>16.2</u>
Air mail, express and freight, in pounds on and off, as re- ported by various air lines: (1)				
Air mail	(2) 33,245,457	29,524,596	3,720,861	12.6
Express	7,195,498	6,239,896	955,602	15.3
Freight	<u>49,989,422</u>	<u>40,454,573</u>	<u>9,534,849</u>	<u>23.6</u>
Totals	<u>90,430,377</u>	<u>76,219,065</u>	<u>14,211,312</u>	<u>18.6</u>

Notes:

- (1) Excludes activities of those non-scheduled air carriers which operate only seasonally or which use the San Francisco Airport only intermittently.
- (2) June 30, 1955 figure includes 4,203,914 pounds of first class mail sent by air.







PROPERTY
OF
DEPARTMENT OF THE ARMY
GFT AND CREDIT

